



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
232<sup>nd</sup> MEETING OF THE BOARD OF DIRECTORS  
Thursday, June 1, 2017  
9:30 a.m.  
5000 Overlook Avenue, SW  
Room 407**

- I. **Call to Order (Chairman Matthew Brown)**
- II. **Roll Call (Linda Manley, Board Secretary)**
- III. **Approval of May 4, 2017 Minutes**
- IV. **Chairman's Overview**
- V. **Committee Reports**
  1. **Governance Committee (Ellen Boardman)**
  2. **Human Resource and Labor Relations Committee (Bradley Frome)**
  3. **Environmental Quality and Sewerage Services Committee (Howard Gibbs)**
  4. **DC Retail Water and Sewer Rates Committee (Rachna Bhatt)**
  5. **Finance and Budget Committee (Timothy Firestine)**
- VI. **Issues of General Interest**
  - **Presentation – Approach to Manage Risk for Large Sewers**
- VII. **CEO/General Manager's Report (George Hawkins)**
- VIII. **Summary of Contracts (FYI)**
- IX. **Consent Items (Joint Use)**
  1. **Approval to Execute Supplemental Agreement No. 02 of Contract No. DCFA-445, O'Brien and Gere, LLC – Resolution No. 17-37 (Recommended by Environmental Quality and Operations Committee 05/18/17)**
  2. **Approval to Execute Contract No. 17-PR-CFO-20A, Alliant Insurance Services, Inc. – Resolution No.17-38 (Recommended by Finance and Budget Committee 05/25/17)**
  3. **Approval to Execute Contract No. WAS-09-014-AA-GA, AON Risk Solutions – Resolution No. 17-39 (Recommended by Finance and Budget Committee 05/25/17)**
  4. **Approval to State the "Sense of the Board" regarding negotiations between the Authority, the District of Columbia, and FC Ballpark, LLC – Resolution No. 17-40 (Recommended by Environmental Quality and Operations Committee 05/18/17 and Finance and Budget Committee 05/25/17)**

**X. Consent Item (Non-Joint Use)**

1. [Approval to Amend Regulations for Customer Classifications and definitions– Resolution No. 17-41](#) (Recommended by DC Retail Water and Sewer Rates Committee 05/25/17)

**XI. Executive Session** – To discuss legal, confidential and privileged matters pursuant to Section 2-575(b) of the D.C. Official Code<sup>1</sup>

**XII. Adjournment (Chairman Matthew Brown)**

1 The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(1); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); proprietary matters under D.C. Official Code § 2-575(b)(11); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.

**Upcoming Committee Meetings (5000 Overlook Avenue SW (Blue Plains – 4<sup>th</sup> Floor)**

- Environmental Quality and Operations Committee – Thursday, June 15<sup>th</sup> @ 9:30 a.m.
- DC Retail Water and Sewer Rates Committee – Tuesday, June 27<sup>th</sup> @ 9:30 a.m.
- Finance and Budget Committee – Thursday, June 29<sup>th</sup> @ 11:00 a.m.



**DISTRICT OF COLUMBIA  
WATER AND SEWER AUTHORITY**

**Board of Directors**

*Governance Committee*

*Wednesday, May 10, 2017*

*9:00 a.m.*

**MEETING MINUTES**

**Committee Members**

Ellen O. Boardman, Chairperson  
Matthew Brown, Board Chairman  
Rachna Bhatt  
Elizabeth Feldt  
Bradley Frome  
Nicholas A. Majett  
Emile C. Thompson  
Anthony Giancola  
David Franco  
Bonnie Kirkland

**D.C. Water Staff**

George Hawkins, GM/CEO (via telephone)  
Mustaafa Dozier, Chief of Staff  
Henderson J. Brown, IV, General Counsel  
Korey Gray, Contract Compliance Officer  
Alan Heymann, Chief Marketing Officer and  
President, Blue Drop  
Linda Manley, Board Secretary

**Call to Order**

Chairperson Boardman called the meeting to order at 9:00 a.m.

**Agenda Item # 1 - DC Water Works! FY16 Annual Report**

Prior to the scheduled presentations, John Bosley, Chief Procurement Officer, provided a brief introduction, explaining the purposes of the DC Water procurement process: (1) to achieve the best value through fair and open competition, and (2) to encourage the use of local, small, minority, and women owned business enterprises (LBE/LSBE/MBE/WBE).

Mr. Gray provided a general update on the DC Water Works! Program. He reported that, to date, 36 positions were filled by residents of the User Jurisdiction (94%), including 28 of whom were DC residents (76%). As a result, DC Water is exceeding its goal of a 60% hiring rate of local residents. He noted that particular focus had been on the goods and services opportunities, because they presented more stable and longer-term employment. Mr. Gray highlighted, as an example, the hiring efforts of Smart Grid Solutions. As part of the meter replacement project, Smart Grid Solutions is working with

DC Water to hire 15 positions, nine (9) of which have already been filled by District residents. Chairperson Boardman asked Mr. Gray to explain how the position types support the work of DC Water. Mr. Gray responded that the Water Works Program is focused on connecting residents with DC Water contractors. In particular, he referenced the cashier position hired by Shuler's Family Kitchen, the vendor that is currently managing the COF Cafe.

Mr. Gray next provided an update on the Commercial Drivers' License (CDL) Training Program. The program provided fourteen (14) District residents the opportunity to obtain their CDL and connect them with related employment opportunities. Thirteen (13) participants completed the program. One participant dropped out. Mr. Gray also acknowledged a number of contractors that supported the program by directly engaging the participants, providing classroom lectures, and interviewing them for employment opportunities. Of the thirteen participants, one (1) was hired, six (6) had job offers extended, and six (6) others are expected to receive job offers. In response to Chairperson Boardman's inquiry, Mr. Gray affirmed that DC Water would track each candidate's employment with the hiring contractors for the next few months to gauge the CDL Program's success.

Mr. Gray then provided an update on the Green Infrastructure initiative. As a result of DC Water's partnership with the University of the District of Columbia and Washington Parks and People, eight (8) individuals passed the National Green Infrastructure Program exam in January 2017 and successfully obtain their Green Infrastructure Certification. Of those eight, three have been employed. The remaining five are being connected with Anchor Construction for employment as part of DC Water's GI MOU with the District. Anchor is looking to hire the participants for either its Mentor Protégé Program, its Apprenticeship Program, a Videographer Position, or as laborers. Committee Member Thompson inquired about the pass/fail rate of the candidates sitting for the examination. Mr. Gray commented that an analysis of the testing was not yet completed but would be presented at the next Committee meeting.

Mr. Gray then presented the FY2016 Annual Report, which analyzed DC Water's efforts to engage with certified firms and promote the Environmental Protection Agency's (EPA) Fair Share Program. Throughout FY2016, DC Water had \$2.06B in active procurements, including: (1) Exempt Awards (\$272.7M), (2) Simplified Acquisitions (\$19.7M), (3) Large Discretionary Awards (\$411M), (4) EPA Eligible/Non-Funded Awards (\$56.7M) for Design (\$1.1B) for Construction, and (5) EPA Fair Share Objective Awards (\$280M). He provided a summary of each award type:

- Exempt Awards – procurements that are exempt from the Business Development Plan. These include P-Card purchases, utilities, sole source contracts, and chemicals. Although there was no certified business goal for this group, LSBE participation was \$26M.

The Committee had a brief discussion concerning sole source contracts. Particularly, the Committee inquired on the number of sole source contracts, and how they were used.

Mr. Gray responded that there were a very small number of sole source contracts. Mr. Bosley commented that the use of sole source contracts occurs during emergencies or when a specialty item is needed. Mr. Hawkins further explained that the process for reviewing sole source contracts requires written justification. He agreed to provide copies of each justification to the Committee.

The Committee also inquired on the use of preference points and LBE/LSBE goals. Mr. Gray explained the 10-point preference system used by the Procurement Department and how preference points were applied on Requests for Proposals (RFP's) and Invitations For Bids (IFB's). RFP's are scored on a 100-point system. LBE/LSBE preference allows for an additional 10 points for a maximum of 110. IFB's are awarded on best value. LBE/LSBE preference allows for (up to) a 10% reduction (or \$100k – whichever is lowest) in the bid price evaluation. Mr. Gray further explained that, while there were no established LSBE utilization goals, DC Water still tracks LBE/LSBE participation and the percentages help identify potential barriers to participation develop strategies to encourage greater participation. Mr. Hawkins added that the percentages should be considered as a "Level of Effort" goal, and not specific to percentages targeted in identified areas. There was a brief discussion as to whether the preference points were too low. Mr. Gray indicated that DC Water was considering how preference points are used as part of its review of the Business Development Plan.

The Committee also inquired about the legal services contracts and requested more information on those awards. Mr. Bosley agreed to provide details.

Mr. Gray reported:

- Simplified Acquisitions – purchases between \$25,000 and \$99,999. These purchases are also exempt from preference points as per the Business Development Plan. Although there is no certified firm goal for this area, LSBE Participation was \$2.1M.
- Large Discretionary Awards – procurements that are \$100,000 or greater, and open with preference, non-federally funded (goods, services, and construction). Preference Points for LBE/LSBE utilization are used for these awards. LBE/LSBE Participation for this group was \$121.5M. Overall, LBE/LSBE participation increased by 2.4% from FY2015.
- EPA Eligible/Non-Funded Awards – procurements that are eligible, but not currently funded by the EPA. These projects included a separate utilization goal for MBE's and WBE's for design and construction. The average MBE Goal for design was 29.3%, DC Water achieved 30.5%. The average WBE goal for design was 5.0%. DC Water achieved 6.4%.

The average MBE Goal for construction was 25.0%. DC Water achieved 22.0%. The average WBE goal for construction was 6.0%. DC Water achieved 6.0%. Mr.

Gray noted that many of the subcontracts in this group were still not awarded, and the expectation is that the MBE and WBE goals will be achieved.

- EPA Fair Share Objective Awards - procurements that are grant-assisted. These projects incorporate the “Fair Share” objectives for MBE (32%) and WBE (6%) utilization. In support of the goals, contractors are required to exercise the EPA defined “Good Faith Efforts” in outreaching to the MBE and WBE community.

Chairperson Boardman asked Mr. Gray to briefly explain the Fair Share objectives and how goals are determined. Mr. Gray responded that the goals – not quotas - were determined by DC Water as part of the availability analysis that it conducts every three (3) years. This analysis includes a review of the following: current projects, future projections, realm of certified firms, and firm capacity to complete projects. The current goals for the certified firms are MBE (32%) and WBE (6%) for construction projects and MBE (28%) and WBE (4%) for design projects. MBE achievement under this group was 35.5%. WBE achievement was 6.1%.

Finally, Mr. Gray provided a brief overview of the proposed changes DC Water is exploring to the Business Development Plan. The proposed changes will be formalized over the next few months and presented at a future committee meeting.

### **Agenda Item # 2 – Blue Drop Governance**

Henderson J. Brown, IV, General Counsel, provided a brief overview of the formation, and organization of Blue Drop. He discussed the purposes of Blue Drop: 1) to prevent rising rates of fees and charges to customers; 2) to generate revenue; 3) to advance innovative strategies; and 4) to promote resource conservation to lead efforts for marketing (i.e. Bloom). General Counsel Brown also discussed the reason for creating Blue Drop as a separate entity from DC Water – to respond to proposals in innovative ways to find revenue, allocate risks, and achieve a marketing advantage.

During the presentation, General Counsel Brown outlined the responsibilities of the Blue Drop Board of Directors and the Blue Drop team. He stated that the Blue Drop Board of Directors has the responsibility to oversee the activities of Blue Drop, but the DC Water Board of Directors had the power to create Blue Drop and has the power to dissolve Blue Drop. He stated that the DC Water Board of Directors has a fiduciary responsibility to keep track of Blue Drop’s performance. General Counsel Brown further explained that Mr. Hawkins, as the Member Representative, will manage communication between the Blue Drop Board of Directors and the Blue Drop Board, while Mr. Heymann’s principal responsibility is to run the affairs of Blue Drop.

Alan Heymann then provided a brief overview of the operations of Blue Drop, detailed current and future projects, reviewed the current finances and projected 2-year financials of the organization. Mr. Heymann explained that the primary operations of Blue Drop entail providing consulting services; marketing and selling Bloom; and building a platform for networking with other utilities. Mr. Heymann noted that Blue Drop plans to acquire its own office space after October 2018, which will be separate from that of DC Water. Mr.

Heymann stated that two Board of Directors' meetings have occurred, and the Blue Drop Board of Directors passed the bylaws and budget at the February meeting. He also introduced Blue Drop's Core Team and stated that in June, non-DC Water employees will fill two new Blue Drop positions; Director of Operations and Director of Client Services.

Thereafter, Mr. Heymann described the current projects of Blue Drop. He stated that, under the Marketing and Sales Agreement between Blue Drop and DC Water, DC Water pays Bloom a marketing fee of \$5 per ton. The revenue generated from sales will stay with Blue Drop, and will reimburse the short-haul transportation costs, creating a savings from the \$43 per ton paid by DC Water for land application. Mr. Heymann added that the largest Blue Drop client is a tree nursery in Montgomery County, Maryland, which will create a savings on land applications of \$200,000. Chairperson Boardman asked Mr. Heymann if the savings were solely because of land application transactions. He replied yes.

In response to Chairperson Boardman's inquiry, Mr. Heymann explained that Blue Drop is currently engaging the District in discussions on ways to utilize Bloom on all parks and other various uses in the District (i.e., DPW). Mr. Heymann added that DDOT uses Bloom for application on tree boxes and roads, and Department of General Services is considering the opportunity. He also noted that Blue Drop has standing permits for the market and distribution of Bloom in Pennsylvania and in DC. Blue Drop will continue to provide regular updates to the EQ and Ops, and Blue Plains Regional Committees.

In response to Committee Member and Board Chairman Brown's inquiry, Mr. Heymann responded that while there is not currently a market for Bloom products, Blue Drop is studying the bagging and drying techniques for the consumer market.

Mr. Heymann also discussed several consulting projects of Blue Drop that involve stakeholder engagement, strategic communications planning, and organizational development:

1. New Jersey Future, a non-profit organization, began consulting with DC Water in 2016. Blue Drop now advises New Jersey Future on how to control the CSO process. It is expected to wrap-up this project with a Webinar in June.
2. York Regional Environmental Services, Ontario, Canada, consults with Blue Drop on strategic communication planning in order to get the best use out of its available resources.
3. Capital Regional Water (CRW), an independent water and sewer utility in Harrisburg, PA, currently operates on a smaller scale than DC Water. Blue Drop began a 6-month project, advising CRW on comprehensive communication planning and stakeholder engagements. Unlike the other consulting projects, this project materialized from a successful bid to a Request for Proposal.

Next, Mr. Heymann discussed the various marketing activities of Blue Drop. He stated the Blue Drop Team participates in annual Utility Leadership Conferences and takes on

speaking engagements to market the company and the Blue Drop product. Current work includes planning future projects for market research.

Mr. Heymann also discussed the financial status and projected revenue outcomes through FY19. The initial capitalization of Blue Drop includes staff time for Core Team members (2.75 FTEs), operating expenses disbursed by fiscal year, an annual budget (\$737k), and office space through October 2018. Blue Drop estimates receiving revenue on consulting services of \$175k and possibly up to \$300k on Bloom. Mr. Heymann stated that sales targets are pending. He also stated that the avoided costs of hauling Biosolids to DC Water range from \$780k - \$2.2 million, indicating that the range includes the small amount of costs savings in FY16 and potential spending range of materials for marketing and selling Bloom.

At the conclusion of Mr. Heymann's presentation, Committee Member and Board Chairman Brown asked Blue Drop to provide the Committee with its first Operational Report, outlining the activity of Blue Drop from inception to date, at the next meeting scheduled for July 2017. Committee Member and Board Chairman Brown added that all future reports should be prepared on a quarterly basis. Committee Chairperson Boardman stated that regular, comprehensive reports should be submitted to the Board every other meeting.

### **Conclusion**

There being no further business, Chairperson Boardman adjourned the meeting at 10:59 a.m.

### **Follow-Up Items for July 2018 Governance Committee Meeting**

1. Korey Gray to provide the Committee with a list of Sole Source Awards, to include the goods and services offered, Vendor/Supplier names, and associated contract value.
2. John Bosley to provide the Committee with a list of law firms, to include legal services provided, and associated contract value.
3. Alan Heymann to provide a report on Blue Drop Operations at the July 2017 Governance Committee meeting.



**DISTRICT OF COLUMBIA  
WATER AND SEWER AUTHORITY**

**BOARD OF DIRECTORS**  
Human Resources and Labor Relations  
Committee  
May 10, 2017

**MEETING MINUTES**

**Committee Members Present**

Bradley Frome, Committee Chairman  
Matthew Brown, Board Chairman  
Ellen Boardman  
Rachna Butani Bhatt  
Anthony Giancola  
David Franco

**DC Water Staff Present**

Henderson Brown, General Counsel  
Mustaafa Dozier, Chief of Staff  
Linda R. Manley, Board Secretary  
George Hawkins, CEO/General Manager  
(via conference call)

**Union Presidents Present**

Barry Carey, AFSCME 2091  
Barbara Milton, AFGE 631  
Jonathan Shanks, AFGE 872  
Calvert Wilson, AFGE 2553  
Michelle Hunter, NAGE R3-06

**1. Call to Order**

Chairman Bradley Frome called the meeting to order at 11:10 a.m.

**2. Changes to the HR Committee**

Johnathan Shanks expressed concerns regarding the written guidelines circulated by Chairman Frome regarding the Union Presidents meeting with the Committee. Mr. Shanks felt that the guidelines provided to him were not required and he did not agree with them. Mr. Shanks asked that they be withdrawn.

Mr. Frome noted that the guidelines were premised on the established rules of a prior Committee Chairman and reflect minor changes. Mr. Frome also noted that when the guidelines were distributed he requested feedback from the Union Presidents. Barbara Milton thanked the Committee for incorporating some of the feedback they had submitted prior to the meeting.

**3. Lack of Communication**

Barry Carey expressed concerns regarding the level of communication between DC Water

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management, the Board of Directors and the union presidents. Mr. Carey believed that when grievances are communicated to management, there is no resolution to their complaints. Mr. Carey expressed that the Board of Directors are viewed as the final resort for grievances and that the Board receives these complaints, however no resolutions to their issues are provided.

Chairman Frome assured Mr. Carey that union input is valuable and their concerns are fully heard. Chairman Frome expressed that the unions should not conclude no action is taken. He explained that the Committee fully explores issues that are raised by the Unions outside of the formal meeting process with management.

Ms. Ellen Boardman also stated that all of their efforts to provide any type of communication to the Board are taken seriously and not ignored. Ms. Boardman wanted the union presidents to know that although no on the record conversation is had, their concerns are discussed.

**4. Employee morale is low due to the delay in completing the compensation negotiations.**

Barbara Milton expressed her concerns regarding the delay in completing union negotiations. Ms. Milton stated that the Unions are prepared to move forward with completing contract negotiations, however they feel this is not possible due to efforts by DC Water management to hold up the process, without concern for union members. Ms. Milton referenced PERB Opinion No. 1622 which stated that DC Water Management has prolonged the process due to the Unions refusal to accept the performance plan "Advancing Blue." Ms. Milton stated that if DC Water is requesting the Unions to accept their performance rating system (Advancing Blue), it should have been declared negotiable.

**5. Absence of ethics policy**

Michelle Hunter expressed concerns regarding the interactions between Union presidents and DC Water management..

George Hawkins, General Manager and CEO stated that although there have been tough negotiations, both management and union members should be treated with honor and respect.

**6. Unions willingness to finalize contract**

Barbara Milton stated that union presidents were diligent with presenting an agreement. Although the unions filed impasse, they were still ready to negotiate a contract. On February 21, 2017 the union presidents met with DC water to finalize and sign a contract. Ms. Milton stated that after several hours of negotiations and deliberation, a contract was not signed and DC Water refused to go to mediation. Ms. Milton explained that the unions are willing to negotiate and not go to arbitration. Although six articles were signed with no change, the unions feel that DC Water did not want to sign the contract because of the union's unwillingness to accept Advancing Blue.

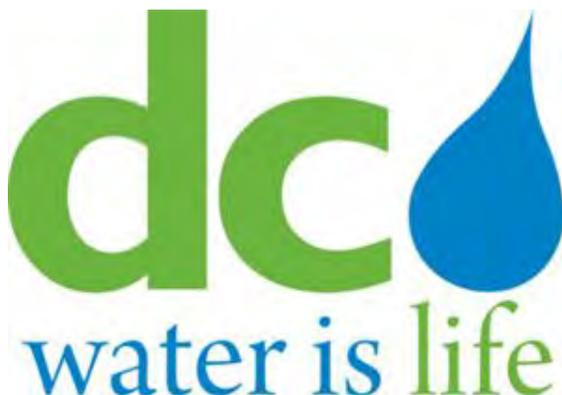
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Mr. David Franco asked for clarification on the unions concerns with Advancing Blue. Ms. Milton stated that Advancing Blue is a performance rating system that DC Water developed for its non-union employees, that was not negotiated with the unions. She stated that the unions currently have a negotiated rating system called the Union Employee Performance Rating System.

Ms. Ellen Boardman asked if PERB decides that Advancing Blue is nonnegotiable, does that resolve getting the contract signed? Ms. Milton stated that if PERB rules Advancing Blue as nonnegotiable, then the discussion would be about impact and effect versus choosing one rating system over the other. Ms. Boardman asked DC Water for clarification regarding the impact of PERB's decision if they rule Advancing Blue as nonnegotiable.

Mr. C. Mustaafa Dozier, Chief of Staff stated that the Authority has taken the position that the content of the performance management system known as Advancing Blue is nonnegotiable, however the bonus pay based on an employee's annual performance rating is negotiable. Ms. Boardman asked if DC Water is able to negotiate without a determination from PERB about the negotiability of Advancing Blue. Mr. Dozier stated the Authority was able to negotiate without the determination from PERB and that a proposal has been provided to the unions on what DC Water believes a fair cash bonus should be, based on performance.

- 7. Conflict of interest appointing the General Manager as chairman of Blue Drop**  
Union members had some concerns regarding appointing George Hawkins, the General Manager of DC Water as the chairman of Blue Drop. Ms. Milton stated that after hearing the Blue Drop presentation provided to the Governance Committee, the unions were satisfied with the presentation and have no further questions or concerns.
- 8. Executive Session**  
No executive session required
- 9. Adjournment**  
The meeting adjourned at 11:53 a.m.



**District of Columbia  
Water and Sewer Authority**

**Board of Directors**

**Environmental Quality and Operations  
Meeting**

*Thursday, May 18, 2017*

*9:30 a.m.*

**MEETING MINUTES**

**Committee Members**

Howard Gibbs, Vice Chairperson  
David Lake  
Mathew Brown, Board Chairman  
Kendrick Curry  
Anthony Giancola  
David Franco  
Ivan Frishberg

**DC Water Staff Present**

George Hawkins, CEO/General Manager  
Leonard Benson, Chief Engineer  
Henderson L. Brown, General Counsel  
Linda R. Manley, Secretary to the Board

**I. Call to Order**

Mr. Gibbs called the meeting to order at 9:30 A.M.

**II. AWTP STATUS UPDATES**

**1. BPAWTP Performance**

Mr. Aklile Tesfaye, Assistant General Manager for Wastewater Treatment reported on the performance of the Blue Plains Advanced Wastewater Treatment Plant (AWTP) (by exception). Mr. Tesfaye stated that all performance parameters were excellent and all permit requirements were met.

The Committee commended Mr. Tesfaye and DC Water for the consistent and outstanding performance of the Blue Plains Advanced Wastewater Treatment Plant facility.

**III. DC CLEAN RIVERS GREEN QUARTERLY UPDATE**

Mr. Christopher Allen, Assistant Director, DC Clean Rivers (DCCR), gave a quarterly update on the progress of the DC Clean Rivers Project (by exception). Mr. Allen reported that all major tunneling activities are now complete and all projects are meeting their consent decree deadlines and are either under or within budget.

The Committee suggested DC Water continue to share any information that could potentially enable early identification of problems or issues that might negatively impact schedule and/or budget. Mr. Allen responded that DC Water will continue to do so.

The Committee next commended DC Water and specifically the DCCR project team on winning an award for Concrete Excellence from the American Concrete Institute for the work done on the Division D project.

#### IV. CAPITAL CONSTRUCTION AND ENGINEERING FACT SHEET OVERVIEW

Mr. Paul Guttridge, Manager, Program Services, gave a brief overview on fact sheets prepared for construction and engineering contracts. He noted that the Department of Engineering & Technical Services (DETS) prepares these fact sheets as opposed to the fact sheets prepared by the Procurement Department for goods and services contracts. He stated that new contracts exceeding \$1,000,000, contract modifications in excess of \$500,000 and contract modifications causing the total approved value to exceed \$1,000,000 are the contract actions that necessitate the preparation of a fact sheet. Mr. Guttridge described the content of a typical fact sheet includes:

Mr. Guttridge explained that there were four (4) main types of fact sheets; construction contracts, construction contract change orders, engineering services and engineering services supplemental agreements.

The Committee inquired as to the origins of the \$500,000 contract modification threshold that would trigger a fact sheet. John Bosley, Chief Procurement Officer, responded that the threshold was approved by Board resolution. The Committee commended Mr. Guttridge, Mr. Bosley and DC Water for their continued, excellent administration and management of contracts and in particular commended DC Water's fact sheet templates as being exemplary to other utilities.

#### V. ACTION ITEMS

##### JOINT USE

1. Contract No. DCFA #445 – Poplar Point Pumping Station Replacement, O'Brien and Gere, LLC.

Mr. Len Benson, Chief Engineer, DC Water, presented action item 1.

**Action Item 1:** Request to execute a supplemental agreement to provide extended engineering services during construction due to unanticipated construction delays by the construction contractor. These delays have required additional reviews of shop drawings and requests for information (RFIs), differing site conditions claims analyses and other engineering analyses which were not included in the original contract.

The Committee inquired if DC Water would seek to claim liquidated damages. Mr. Benson responded in the affirmative. The Committee also inquired if there were any deficiencies with the A/E contractor. Mr. Benson responded that the delays were strictly due to the construction contractor. The Committee commented that the subject project is part of DCCR and further inquired if the delays were going to affect the rest of the DCCR projects schedule. Mr. Allen, Assistant Director, DCCR, replied it would not have a delay effect on other project work, and that the DCCR project currently has approximately one hundred (100) days of float intact as compared to the Consent Decree specified dates for completion. The Committee also inquired if DC Water had used this contractor in the past and whether or not the Authority had experienced performance issues with the particular contractor. Mr. Benson replied this was a first time contract

with DC Water. Mr. Benson also explained that DC Water had conducted extensive reference checks regarding the contractor, as with any contract and that the contractor had no negative comments.

The Committee recommended all action items to the full Board.

## **VI. CAPITAL IMPROVEMENT PROGRAM QUARTERLY UPDATE**

Mr. Paul Guttridge, Manager, Program Services, DC Water, gave a quarterly update for the 2<sup>nd</sup> quarter of fiscal year (FY) 2017 regarding DC Water's capital improvement program (CIP) (by exception). Current projected FY 2017 CIP disbursements are \$465,564,000 through the end of September 2017, which is \$24.4M (5.5%) above the baseline disbursement projection of \$441,154,000. Of the six (6) service areas, three (3) of them (i.e., Stormwater, Sanitary and Water service areas) had project disbursements that were below their baseline projections. Mr. Guttridge next mentioned that for the 2<sup>nd</sup> quarter, four of the key performance indicators (KPIs) were achieved on time and the other four remaining planned KPIs were not achieved.

The Committee inquired if KPIs that were not met in a current quarter would impact KPIs in subsequent quarters, and if so, why the report does not indicate the impact would carry over. Mr. Guttridge replied that it is indeed a possibility that subsequent KPIs in future quarters could potentially be impacted by KPIs that were not met in the current quarter, but the reporting structure is such that fulfillment of KPIs are reported only on a current quarterly basis.

## **VII. MAIN & O CAMPUS UPDATE**

Mr. George Hawkins, CEO/General Manager, gave an update on the headquarters (HQO) development and the fleet, sewer services and floatable debris department relocations in relation to the construction at the Main & O campus. He provided an overview of the location of the new HQO building and discussed the other DC Water buildings and their functions highlighting that the HQO is being constructed on existing DC Water premises at the O street pumping station. Mr. Hawkins also mentioned that the HQO design accounted for future development in the neighborhood by the District, specifically stating that negotiations that took place with Forest City Development were substantial and lengthy.

The Committee inquired if there was a need to rehabilitate or replace some of the existing infrastructure near the HQO in light of the construction that is expected to commence soon. The Committee also inquired if there were concerns as to the integrity of the aged sewers that could potentially be impacted by the planned construction work. Mr. Benson replied that issues relating to structural safety of sewers during construction of the private development and the need of opportunistic rehabilitation of existing infrastructure were all part of the provisions looked at during the permitting process before construction. The Committee further inquired if a capacity analysis of the sewers that takes into account planned future development had been conducted. Mr. Benson replied in the affirmative.

Next, Mr. Hawkins briefed the Committee on the status of negotiations with the District regarding relocation of existing facilities from the Main and O campus. DC Water is planning to introduce a supplemental agreement to non-process facilities master plan architect for design of new facilities for approval at the July 2017 Board meeting.

Mr. Hawkins stated the negotiated relocation project funding amount was \$38,210,000. The Committee inquired if potential 'unanticipated costs' were negotiated. Mr. Hawkins and Mr. Henderson Brown, General Counsel, DC Water, stated that the relocation funding amount was a final negotiated amount but that if there were significant and extraordinary costs of an unexpected nature, it was DC Water's expectation that further negotiations may take place with the stakeholders involved. Next, Mr. Hawkins summarized the project milestone dates for the relocation of DC Water facilities and gave brief descriptions of the relocation efforts.

Mr. Charles Kiely, Assistant General Manager for Customer Care and operations, gave a brief update regarding water quality monitoring activities, specifically, regarding total Coliform testing and Lead and Copper Rule (LCR) testing. Mr. Kiely mentioned that there were two positive tests last month and one positive test this month. Upstream and downstream tests were conducted to either corroborate or rule out the presence of the bacteria. These additional tests conducted by DC Water revealed no other positives. In regards to LCR testing, Mr. Kiely mentioned that laboratory test results showed the water distribution system to be performing exceptionally well.

In conclusion, Mr. Kiely and Mr. Hawkins updated the Committee on the recent 30-inch water main break on MacArthur Boulevard, NW. Emergency crews have been able to isolate and stop the leak and emergency repair activities have commenced.

The Committee moved into Executive Session and reconvened into open session at 10:50 a.m.

#### **VIII. ADJOURNMENT**

Meeting adjourned at 10:51 a.m.

#### **Follow-up Items**

None.



## DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

### Board of Directors

*DC Retail Water and Sewer Rates Committee*  
Thursday, May 25, 2017  
9:30 a.m.

### MEETING MINUTES

#### **Committee Members in Attendance**

Rachna Butani, Chairperson  
Matthew Brown, Chairman  
Howard Gibbs  
Ellen Boardman  
Reverend Kendrick Curry  
Anna Harvey  
Anthony Giancola  
Ivan Frishberg  
David Franco

#### **DC Water Staff**

George Hawkins, CEO & General Manager  
Biju George, Chief Operating Officer  
Henderson Brown, General Counsel  
Robert Hunt, Acting Chief Financial Officer  
Syed Khalil, Director Rates & Revenue  
Linda Manley, Secretary to the Board

#### **Call to Order**

Chairperson Butani convened the meeting at 9:32 a.m.

#### **WSRF Review and Recommendations (Attachment A)**

Biju George, Chief Operating Officer, presented a review of the Water System Replacement Fee (WSRF) and recommended amendments to Customer Classifications and Definitions, and to allow certain Multi-family customers to request an adjustment to their WSRF based on peak water demand. DC Water's WSRF is charged to Residential, Multi-Family, and Non-residential customers based on the customers' meter size and average flow. The WSRF is expected to generate \$40 million annually to recover the costs of the 1 percent renewal and replacement program for aging water infrastructure.

DC Water was first contacted by the Chain Bridge Road Cooperation, a cooperative housing association located at 2800 Battery Place NW comprised of 15 single-family detached homes served by a single, privately-owned water line for both fire suppression and domestic use, in October 2015 with inquiries about their WSRF. DC Water provided a written response to the customer and at an executive session of the Water Quality and Water Services Committee meeting on October 20, 2016, DC Water advised that it did not have express authority to waive, reduce, or suspend a WSRF fee or to retroactively provide credit for fees previously charged. DC Water was directed to examine a process to assure equity among residential customers, identify other residential properties not currently covered under the Residential classification by definition, and evaluate the impact of adjusting WSRF fees.

Mr. George informed the Committee that, following internal and external review, two private cooperative developments were identified: Chain Bridge Road Coop at 2800 Battery Place NW, and Southern Homes & Garden Cooperative Association at 5800 Southern Ave SE, a cooperative housing association comprised of 92 single-family townhouses with two private fire hydrants served by a 8"x4"x1" master

meter for combined fire and domestic service. Southern Coop is classified as Multi-Family and it is charged a monthly WSRF of \$2,438.35 (\$29,260/year).

To address WSRF fees that are a disproportionate size for end-use single family residential properties, DC Water presented recommendations to:

1. Amend Customer Classifications at 21 DCMR § 4104 to include Cooperative Housing Associations to clarify definitions for Residential, Multi-family, and Non-residential customers
2. Amend definitions at 21 DCMR § 4199 to add definitions for Condominium, Cooperative Housing Association, and Dwelling Unit, and
3. Amend WSRF regulations at 21 DCMR § 112.10 by adding subparagraph (c) to allow Multi-family customers whose premises meet certain requirements to request a WSRF adjustment to modify the combined domestic meter size based on peak domestic water demand, excluding fire

These amendments would result in minimal loss of annual revenue, estimated at \$35,248.08. This assumes 2800 Battery Place NW would be charged as a 3" modified combined domestic meter, and 5800 Southern Ave SE would be charged as a 4" modified combined domestic meter.

Mr. George made the committee aware of other information learned during the WSRF review that may merit further fee consideration. The WSRF is only applicable to metered domestic and combined domestic services, not fire service lines independent from the domestic meter. During review to identify multi-family residential private developments, it was estimated that 2,706 unmetered fire service lines exist where no WSRF is charged for fire service.

Ms. Boardman asked about the legal process for going through this amendment. Mr. Henderson Brown responded that the process is directed by DC Water pursuant to our normal rulemaking process.

After discussion of the process and timelines, and questions of how customer-submitted records would be certified, the Chair indicated she did not think retroactive credits should be given, and sought additional comments from the Committee. The Committee agreed that no retroactive credits should be given. The Chair recommended moving Action Items 1 and 2 to the full Board. The Committee members agreed and upon Board approval, a Notice of Proposed Rulemaking (NPR) would be published on June 16<sup>th</sup>.

#### **Action Items (Attachment B)**

Mr. Khalil presented the Action Items. Items 1 and 2 were moved to the full Board.

#### **DC Retail Water and Sewer Rates Committee Workplan (Attachment C)**

Mr. Khalil gave a brief overview of the Committee's workplan for the remainder of the fiscal year.

#### **Executive Session**

N/A.

#### **Agenda for June 27, 2017 Committee Meeting (Attachment D)**

There were no comments on the June agenda.

**Adjournment**

The meeting was adjourned at 10:19 a.m.

**FOLLOW-UP ITEMS – DC Retail Water and Sewer Rates Committee Meeting (May 25, 2017)**

- 1.) Review of unmetered fire service lines and their financial impact (September 2017).
- 2.) Review of combined domestic and fire service lines and their financial impact (September 2017).
- 3.) Review of Board policies for setting rates (September 2017).



**DISTRICT OF COLUMBIA  
WATER AND SEWER AUTHORITY**

**Board of Directors**

**Finance and Budget Committee**

**Thursday, May 25, 2017**

**11:00 a.m.**

**MEETING MINUTES**

**Committee Members**

Timothy L. Firestine, Committee Chairperson  
Matthew Brown, Board Chairman  
Ana Harvey  
Anthony Giancola  
Adam Ortiz  
Tommy Wells  
David Franco  
Ivan Frishberg  
Sarah Motsch (via phone)

**DC Water Staff**

George Hawkins, CEO & General Manager  
Robert Hunt, Chief Financial Officer (Acting)  
Henderson Brown, General Counsel  
Syed Khalil, Director, Rates and Revenue  
Lola Oyeyemi, Director, Budget  
Tanya DeLeon, Manager, Risk  
Paul Guttridge, Manager, Program Services DETS  
Linda Manley, Secretary to the Board

**Other Presenters and Guests**

Joe Underwood, Albert Risk Management  
Bruce MacDonald, Albert Risk Management

**Call to Order**

Chairperson Timothy L. Firestine called the meeting to order at 11:08 a.m.

Matthew Brown, Board Chairman, recognized and congratulated the CEO/GM George Hawkins and the Finance Accounting and Budget (FAB) team on the award received at the recently concluded GFOA conference in Denver, Colorado for the Environmental Impact Bond issued last year, which was spearheaded by the former CFO, Mark Kim.

**April 2017 Financial Report**

Robert Hunt, CFO (Acting) reported that at 58% of the fiscal year, operating revenues were at \$350.2M or 59% of budget, operating expenditures at \$276.7M or 52% of budget and capital disbursements at \$308.1M, which is slightly above budget by 0.7%. He noted that the underlying details of the report will be discussed as part of the preliminary FY 2017 year-end projections.

### **FY 2017 Year-End Projections**

Mr. Hunt gave an executive summary of the preliminary year-end projections with revenues anticipated to exceed budget by \$5.2M or 0.9%, operating expenditures below budget by \$17.8M or 3.3% and capital disbursements slightly higher than budget by \$5.5M or 1.1%.

Syed Khalil, Director, Rates and Revenue, provided detailed discussions of the FY 2017 operating revenues. He reported that the operating revenue for FY 2017 is projected at \$600.6M or 100.9% of budget. He explained that the higher than budgeted revenues for Residential, Multifamily and Commercial categories was due to a combination of prior years' billing collections and slightly higher Clean Rivers Impervious Area Charge (CRIAC) as compared to revised budget. Revenues from the District government are projected to be below budget by approximately \$1M partly due to disputed impervious only accounts. Chairperson Firestine asked about the probability of success in collecting revenue from the disputed impervious only accounts and Mr. Khalil responded that some of the accounts in dispute are part of Right of Way that should not have been billed, while others billed to the District will be rebilled to the other customer categories. The Other Revenue Category is higher due to slightly higher projected developer fees as compared to the revised budget.

Lola Oyeyemi, Director, Budget, reported that operating expenditures are projected at \$518M or 96.7% of budget and provided explanation for the various expenditure categories. She explained that the projected overspending in personnel services is due to annualized salary adjustments typically funded from vacancy savings, lower projected vacancy rate at 9% due to increased hiring efforts, offset by lower employee health benefit costs. These projections exclude impact of the recently concluded union agreement. In response to Mr. Giancola's question on the Authority's high vacancy rate, Mr. Hawkins responded that there is increased effort to reduce vacancy and close the gap from 14 -15% experienced in prior years.

Ms. Oyeyemi explained that the projected under spending of \$7M in contractual services is mainly driven by lower biosolids production and hauling costs due to the performance of the digesters. The supplies and chemical underspending of \$5M is as a result of favorable methanol pricing and change in the wastewater treatment process. Utilities underspending of \$3M is mainly from electricity as a result of onsite generation from the Combined Heat and Power (CHP) project. Ms. Oyeyemi noted that the debt service savings is due to the refinancing completed in the year, and the Cash Financed Capital Improvements reserve funds will be used for PAYGO financing at the end of the year since there is no pressure anticipated for the operations and maintenance budget.

Regarding capital disbursements, Ms. Oyeyemi reported that preliminary year-end projections are at \$512.5M or 101.1% with projected overspending for capital projects of \$24.4M offset by underspending in additional capital programs of \$18.9M. She explained that the additional capital programs include the ongoing Automated Meter Reading (AMR) and Customer Information System (CIS) projects and that the projected underspending is mainly from the reserves, at \$11M, which was built into the budget.

Mr. Hunt stated that the preliminary year-end net cash surplus is projected to be approximately \$11M, and that no recommendation is being presented at this time. Staff will present a recommendation to the Committee at the June meeting.

**Capital Improvement Program Quarterly Report**

Mr. Paul Guttridge, Manager, Program Services, presented an overview of the capital projects with a current forecast of 5.5% above the baseline capital disbursement budget. He explained that the higher disbursements are for the Clean Rivers project under the Combined Sewer Outflow (CSO) Service Area and the Solids Processing Project and Nitrogen Removal Facilities under the Wastewater Treatment Service Area. Chairperson Firestine inquired about the capital program and impact on budget. Mr. Guttridge provided in-depth discussions on the difference in the Key Performance Indicator (KPI), impact of disbursements for large projects that span across multiple years, and work being expedited to accommodate change orders. He reported that overall capital projects can be on time, the critical path not affected, yet disbursements and other metrics can be slightly off.

**Insurance Renewal Update**

Ms. Tanya DeLeon, Manager, Risk, and Mr. Joe Underwood, Independent Insurance Advisor from Albert Risk Management, presented the insurance renewal options available to DC Water covering the period of July 1, 2017 to July 1, 2018. Ms. DeLeon reported that the Authority's broker has indicated that combined premium costs are projected to exceed the \$1M threshold for the Excess Liability and Property Insurance coverages, therefore there is a request for approval to purchase the mentioned coverage costing up to \$2.3M.

Chairperson Firestine inquired about the increase in the property insurance premium of 37% to \$1.05M. Mr. Underwood explained that the increase is mainly due to the annual reappraisal of DC Water facilities, which is typically undertaken every 5 years. He also noted that it was driven by new construction in Blue Plains which have been placed into operation as well the new assessed property value. Ms. DeLeon noted that a full and final update will be provided at the June Committee meeting.

**Rolling Owner-Controlled Insurance Program (ROCIP) Renewal Update**

Ms. Tanya DeLeon provided an overview of the ROCIP program at DC Water which is typically for large construction projects involving multiple contractors and subcontractors. She explained that the action item of \$1.4M before the committee is for the audit adjustment insurance premium for ROCIP II based on the recent payroll audit, which has also been verified by the broker. In response to Mr. David Franco's question on the rationale for the significant increase in payroll costs for this audit adjustment, Ms. Tanya clarified that payroll costs is based on the construction contractors' salaries and not salaries for DC Water employees.

**Main & O Campus Update**

Mr. George Hawkins provided an overview of the Main & O Campus where the new Headquarters building (HQO) will be located, with detailed relocation plan to free up space for the District to advance development opportunities along the waterfront area. He presented the physical locations, financial budget and time frame to relocate the Authority's Sewer Services to Ames Place NE in the District, Fleet Operations to Walker Mill Road in Maryland and the Floatable Debris Operations. Mr. Hawkins explained that the budget for these relocations will be provided

by the District to avoid impact on our retail customers and that the construction of the HQO is on track for completion during Spring 2018. He highlighted the collaborative efforts undertaken by DC Water team, the District and Prince George's county in identifying locations for these operations.

### **Action Items**

The Committee recommended to move the following action items for the Board's consideration:

- Audit adjustment insurance premium for Rolling Owner-Controlled Insurance Program (ROCIP)
- Property and excess liability insurance premiums

### **Executive Session**

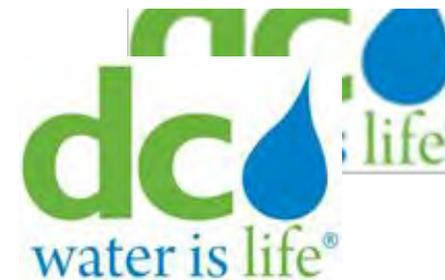
The meeting convened into Executive Session at 12:23 p.m., and reconvened into open session at 1:14 p.m.

### **Adjournment**

Hearing no further business Chairperson Firestine adjourned the meeting at 1:15 p.m.

### **Follow-up Items**

1. Provide management recommendation for the use of year-end net cash surplus **(Chairperson Timothy Firestine)**
2. Explore feasibility of establishing a debt service limit as a percentage of operating budget **(Anthony Giancola)**
3. Provide percentage of change orders in the CIP budget **(Adam Ortiz)**

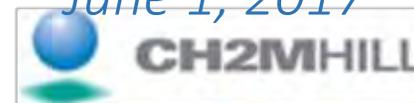


# ASSET MANAGEMENT PROGRAM



## Approach to Manage Risk for Large Sewers

June 1, 2017



# Agenda

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- Brief Review of Sewer System Risk Assessment
- Condition Assessment of Large Diameter Sewers
- Use of Condition Assessment Results
- Strategies to Manage Risk within Available Budget

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# Sewer System Risk Assessment

# Sewer System Risk Assessment

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- Bottom Up Approach / Data Driven
- Based on DC Water Risk Framework
  - Risk = Consequence of Failure (COF) x Likelihood of Failure (LOF)
- GIS Based Tool

# Sewer System – COF Framework

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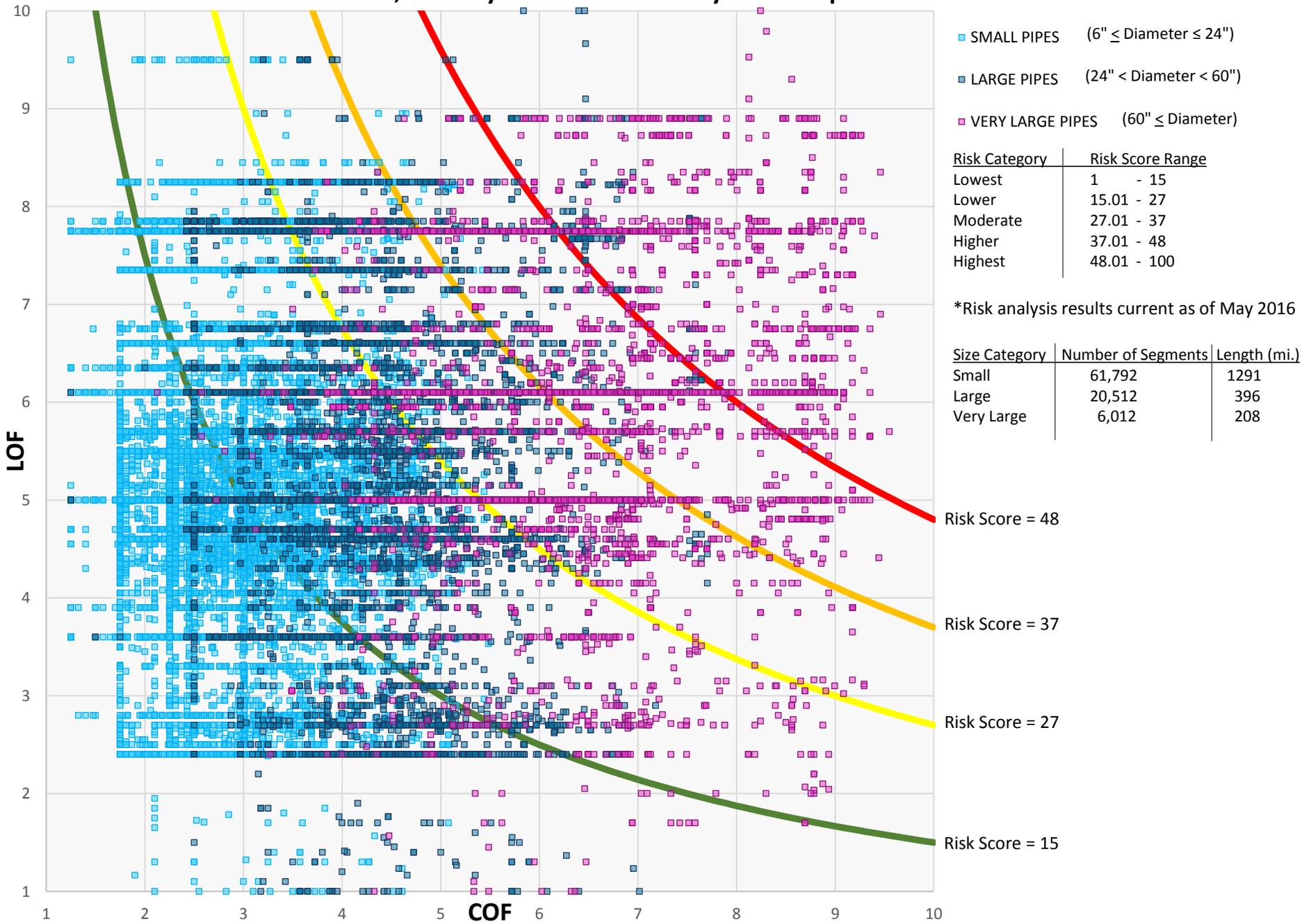
- Health and Safety - 25% of Score
- Public Confidence - 15% of Score
- System Reliability - 20% of Score
- Regulatory Compliance and Environmental Impact – 25% of Score
- Fiscal Impact - 15% of Score

# Sewer System – LOF Framework

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- Physical Condition - 55% of Score
- Performance - 35% of Score
- Maintenance History - 10% of Score

## Consequence of Failure (COF) and Likelihood of Failure (LOF) Scores\* Combined, Sanitary and Storm Sewer Systems - Pipe Size Distribution



# Sewer System Risk Assessment

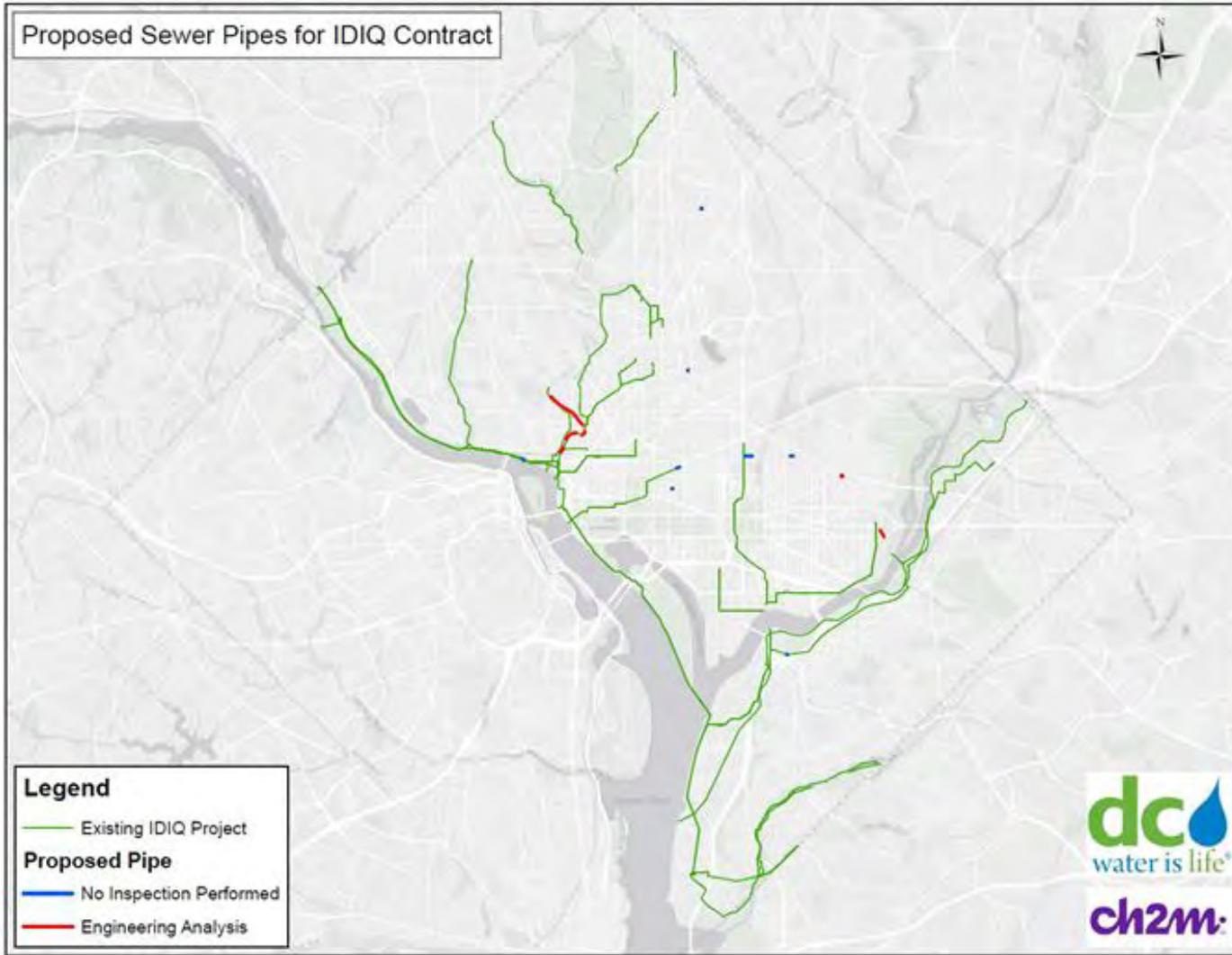
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- Calculates Risk (COF x LOF) for each individual pipe in the system based on available data and scoring algorithm
- Tool to help you prioritize sewer inspection and renewal given available funding
  - ❖ Allows you to use available funds to reduce risk as much as possible



# Condition Assessment of Large Sewers

# Condition Assessment of Large Sewers



# Large Sewers Prioritized by Risk

Job ID	Project Name	COF Range	Avg Weighted COF	LOF Range	Avg Weighted LOF	Risk Score Range	Avg Weighted Risk Score	Max Risk Score	Max Risk Category	Length (ft)
IDIQ25	Upper Potomac Interceptor Relief Sewer	4-9	8.7	4-10	8.1	32-82	70.5	82	Highest Risk	24,617
IDIQ27	West Outfall Sewer	5-9	7.3	5-8	7.9	32-74	57.4	74	Highest Risk	16,569
IDIQ06	Easby Point Trunk Sewer	5-9	8.2	3-8	7.1	26-73	58.5	73	Highest Risk	9,943
IDIQ05	Columbia Heights Sewer	4-9	5.6	2-8	5.3	9-70	29.4	70	Highest Risk	8,953
IDIQ08	East Rock Creek Division	7-9	8.6	7-7	6.9	44-67	60.0	67	Highest Risk	22,171
IDIQ24	Upper Potomac Interceptor	4-7	6.4	4-10	8.0	26-65	51.1	65	Highest Risk	26,233
IDIQ01	Anacostia Force Main	4-9	8.7	6-7	6.5	24-64	56.5	64	Highest Risk	32,654
IDIQ02	Anacostia Main Interceptor	4-8	6.5	3-8	5.8	14-64	37.8	64	Highest Risk	25,975
IDIQ16	North Interconnecting Branch Sewer	5-9	7.2	5-9	6.3	30-62	44.5	62	Highest Risk	7,602
IDIQ18	Potomac Force Main	4-9	8.3	3-7	5.8	12-62	48.0	62	Highest Risk	40,039
IDIQ22	Tiber Creek Trunk Sewer	5-9	8.0	2-6	4.8	9-59	38.1	59	Highest Risk	13,056
IDIQ20	South Interconnecting Branch Sewer	5-9	6.9	4-8	5.2	22-55	35.5	55	Highest Risk	7,626
IDIQ28	West Rock Creek Division	5-9	7.5	5-6	5.4	21-54	41.2	54	Highest Risk	7,691
IDIQ11	Lower East Side Interceptor	5-9	7.2	2-7	4.2	17-49	29.9	49	Highest Risk	25,179
IDIQ07	East Outfall Relief Sewer	6-9	8.1	4-6	4.8	27-48	39.1	48	Higher Risk	11,236
IDIQ17	Oxon Run Trunk Sewer	4-7	5.3	2-8	4.1	11-48	21.2	48	Higher Risk	16,586
IDIQ26	West Outfall Relief Sewer	6-9	8.0	4-6	4.8	27-47	38.6	47	Higher Risk	11,324
IDIQ15	Northwest Boundary Trunk Sewer	4-9	6.1	2-5	4.5	7-45	27.9	45	Higher Risk	10,091
IDIQ03	Broad Branch Relief Sewer	5-5	5.1	2-8	4.0	12-42	20.4	42	Higher Risk	5,071
IDIQ04	Broad Branch Trunk Sewer	3-6	4.6	2-8	4.2	8-42	18.7	42	Higher Risk	13,061
IDIQ12	Lower Oxon Run Interceptor	3-7	5.3	2-6	5.2	6-42	27.9	42	Higher Risk	12,693
IDIQ19	Slash Run Trunk Sewer	4-9	6.5	1-6	4.4	7-42	28.3	42	Higher Risk	19,094
IDIQ23	Upper Oxon Run Interceptor	4-7	5.9	1-7	3.1	4-38	18.3	38	Higher Risk	15,043
IDIQ10	Foundry Branch Trunk Sewer	4-5	4.5	2-7	5.0	10-37	22.3	37	Higher Risk	14,365
IDIQ09	East Side Force Main	6-6	6.0	3-6	5.8	18-35	34.4	35	Moderate Risk	1,184
IDIQ13	Lower Oxon Run Interceptor Relief Sewer	3-6	4.8	2-6	4.5	8-34	21.3	34	Moderate Risk	3,892
IDIQ21	Southwest Interceptor	4-7	5.1	1-5	2.8	4-33	14.4	33	Moderate Risk	6,291
IDIQ14	Luzon Truck Sewer	3-5	4.0	1-5	4.3	3-28	17.3	28	Moderate Risk	8,829
<b>Total Miles of Pipe =</b>										<b>79.0</b>





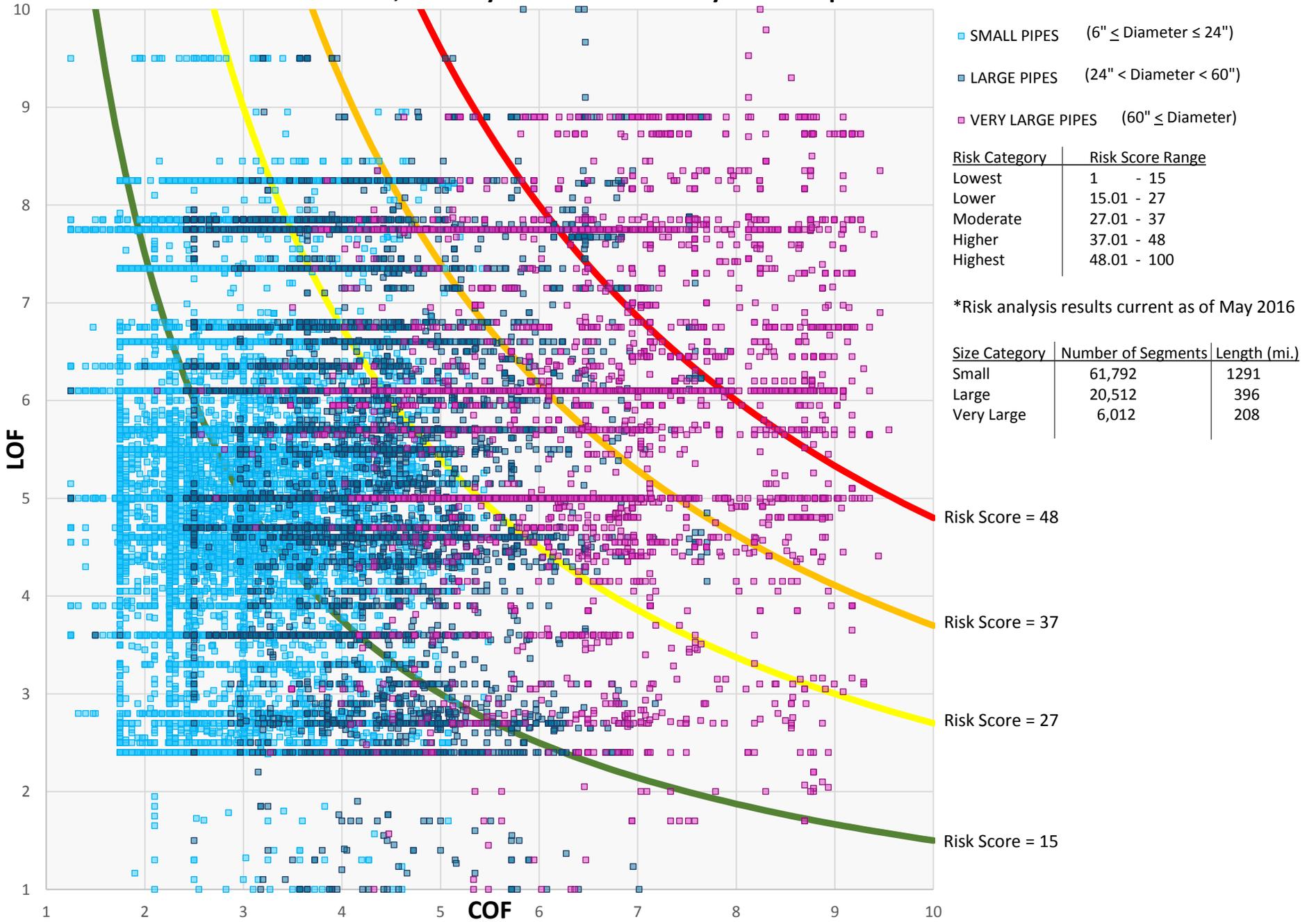
# Use of Condition Assessment Results

# Use of Condition Assessment Results

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- Likelihood of Failure currently based on material and age
- Likelihood of Failure will be updated based on results of condition assessment
  - Sewer in good condition => LOF goes down => Risk goes down
- Sewer not in good condition
  - Likelihood of Failure will be updated based on results of condition assessment
  - Repairs / rehab can be prioritize based on updated Risk score

### Consequence of Failure (COF) and Likelihood of Failure (LOF) Scores\* Combined, Sanitary and Storm Sewer Systems - Pipe Size Distribution



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# Strategies to Manage Risk within Available Budget

# Strategies to Manage Risk in Large Sewers

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- Focus available funding on continuing assessment and monitoring of most critical assets
- Possibly shift to more costly “spot” repairs vs more comprehensive rehab projects
- Shift money from less critical infrastructure (e.g. local sewers)
- Maintain capability to respond to failures that do occur



# ASSET MANAGEMENT PROGRAM



Thank you





**CEO and GENERAL MANAGER'S REPORT**

George S. Hawkins – June 2017

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**Interpretation of Charts ..... A**

**Color Key**

<p><b>Red</b></p> <p><b>Yellow</b></p> <p><b>Green</b></p> <p><b>Gray</b></p> <p><b>&lt;transparent&gt;</b></p>	<p><b>Did not meet Target</b></p> <p><b>Missed Target but within acceptable range</b></p> <p><b>Met/Exceeded Target</b></p> <p><b>Budget/Target Value</b></p> <p><b>Green/Yellow/Red based on comparison</b></p>
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## Message from the CEO/GM

My greetings to the Board. I have much news to report from the month of May!

### **Compensation Agreement**

I am very pleased to announce that we have reached a tentative agreement with our five unions on a compensation agreement. After tortuous and often difficult negotiations, I am pleased that our negotiating team, led by our intrepid Chief of Staff Mustafa Dozier and joined by Charlie Kiely, AGM Customer Care and Operations; Lola Oyeyemi, Budget Director; Roger Brown, HCM Director; Beth Stachura, Labor Relations Manager; Steve Rogers, Manager HCM Operations; Otho Milbourne, Total Rewards Supervisor; Helen Hagos, Assistant to the Chief of Staff; and Kenneth Hillary, HCM Executive Assistant, were able to conclude a positive arrangement with the Union negotiating team, led by AFG Region 14 National Vice-President Eric Bunn. This agreement is tentative at this point because it needs to be ratified by the membership of each of the five unions, and by the Board of Directors of DC Water. We are likely to propose a special meeting of the Human Resources and Labor Relations Committee meeting in June to review the agreement – with the hope that the Committee will recommend approval of the agreement to the full Board in July. The Agreement locks in a 3% per year salary increase for our personnel from 2016-2019 – ensuring that if approved, DC Water will remain the only government agency in the Washington, DC metropolitan region that has provided pay increases for our employees every year since 2002. Significantly, just prior to the final round of negotiations, the Public Employee Relations Board (PERB) ruled that developing and implementing a performance management system and bonus program was a management right not subject to compensation negotiations. Subsequently, in the negotiations, we agreed that Advancing Blue will be implemented as the bonus program for DC Water (for all employees, union and non-union) – but agreed to defer its implementation until April 1, 2018 for union employees. Despite often hard and intense negotiations and all the strategies and tactics that were deployed, we hope that all the personnel of DC Water – union and non-union – understand how much we admire and respect the work that they do, and how we should all unite together to move forward and serve the public in our essential work. Again, I offer my heartfelt congratulations to everyone who helped come to a positive resolution – and particularly Mr. Dozier, who I believe remained principled and constructive throughout, and deftly melded a thoughtful strategy with tactical creativity.

### **GFOA**

I am also very pleased to announce that DC Water was the recipient of the Government Finance Officers Association's 2017 Award for Excellence in Government Finance, for the issuance of our Environmental Impact Bond. I was pleased to join DC Water Board Chair Matt Brown and DC Water Finance Committee Chair Tim Firestine (and past president of the GFOA) in Denver to receive the award, along with members of Team FAB (Finance, Accounting and Budget) Bob Hunt, Ivan Boykin, Lola Oyeyemi, Hoa Truong, Genes Malasy and Syed Khalil. GFOA, with almost 19,000 members in the United States and Canada, presents one award each year at their annual meeting for a project that demonstrates innovative new approaches to finance that is replicable and advances the financial opportunities for all jurisdictions. I am impressed that DC Water was able to win this singular award. Tim, Matt, Bob Hunt and I were joined by Eric Brown from PFM (our financial advisors) to provide an overview of the transaction. Each of us highlighted that the transaction was championed and driven by past CFO Mark Kim, who unfortunately was not able to join us. I am particularly pleased that DC Water has won both the

## Message from the CEO/GM

Best of the Best Award for an engineering project in the same year we have one the award for excellence in finance. An enterprise that can put together great engineering with great financial acumen is very fortunate. Once again, I also highlighted that the fundamental strength of DC Water is founded on its governance structure and depth. All these awards properly are achieved by the enterprise as a whole – which starts first and foremost with the Board of Directors. Congratulations!

### **Retail Rates**

The DC Water Retail Rates Committee met in May to discuss issues surrounding a small number of multi-family housing developments that have fire suppression behind the meter serving single family homes. After extensive analysis and review by staff and over several Committee meetings, the Committee has recommended to the Board a change to our rate regulations that clarify this particular category of customer and how they will be billed. This approach is consistent with decisions the Committee has made in the past for single-family dwellings that have meters sized to handle not just daily water need, but potential fire suppression flow. The Committee has instructed staff to further evaluate two additional classes of customers that we identified in our analysis – customers with unmetered fire service, and customers with fire suppression and water use bundled together. I am grateful for the depth and consideration that were invested in this issue by the Committee, and by the thoughtful analytical work overseen by Chief Operating Officer Biju George, ably assisted by Assistant AGM Charles Kiely and General Counsel Henderson Brown.

### **MacArthur Boulevard**

Board members should have received several updates from me on a major water main break we sustained on MacArthur Boulevard. As I noted, there are five major water mains in this vicinity, due to its location just south of the Georgetown Reservoirs and the Washington Aqueduct. We had a difficult time identifying which main had the rupture, and then repairing it given the complexity of the various lines that were underground. I have noted that I was impressed that the 30 inch main that ruptured was installed by Captain Meigs (a famous Civil War era engineer) in 1860. We had a difficult time finding couplings that would connect the old cast iron mains (actually 32 ½ inch outside diameter) with more modern ductile iron replacement pipe. Fortunately, we used the WARN system set up to allow water utilities to help each other – and utilities in Boston and Florida were able to come to our assistance. After the main was repaired, re-opening of MacArthur was delayed by rain – because the concrete understory to the asphalt had to have time to dry before the surface roadway could be installed. Nonetheless, I am relieved to report that the main is repaired, no customers faced more than temporary loss of service, and the road is resurfaced and re-opened. We are very grateful for speedy and skillful assistance we received from DDOT, DPW and MPD – to help with cleaning the streets, maintain safety and ensuring we worked together to get the ultimate restoration done properly. Once again, AGM Charles Kiely was at the center of the storm responding to the situation, assisted by a fantastic team: Marlee Franzen, Jason Hughes, David Wall, Anjali Gupte, Renard Blanchard, Kevin Jhingory, Andre Carter, Walter Burton, Donald Yearwood, Marquette Austin, Rodney Clarke, Edward Boney, Lavernon Hammond, Cesar Orozco, Michael Matthews, and Maurice Gaines to name a few.

## Message from the CEO/GM

### **Mayoral Appointment**

It is my pleasure to inform you that our own Sustainability Chief Maureen Holman was appointed by Mayor Bowser in late May to serve on the newly created Commission on climate change and Resiliency. Maureen manages our Authority-wide sustainability program and has helped make DC Water a leader in planning for climate change and incorporated resiliency in our projects – that includes our new headquarters on the banks of the Anacostia. Please join me in congratulating Maureen on this well-deserved appointment.

### **External Affairs**

#### *Website*

Session totals for the period of April 16 through May 15, 2017

- Total Sessions: 61,895
- New Sessions: 30,873

#### *Government Relations*

The government affairs team worked with DC Council offices to track down information about water bills for other city agencies, and tracked down data about the use of the city's forensics lab.

Also, during the past month the government relations team participated and helped facilitate some of the more important outreach efforts with the DC Council. At one meeting, led by Bjiu George, government relations met with Councilmember Brandon Todd to talk about issues relating to the Oregon Avenue sewer replacement project. The following week, government affairs also participated in a community meeting in Chevy Chase to talk about the same issue with concerned residents.

Also, government affairs met with Council member Trayon White to discuss his concerns with the pressure reducing valves that some homeowners will need in Ward 8 once the new water tower is built there next year.

#### *Media Relations*

It was a busy month for the media team.

We held an event at Yards Park to announce names for the two new skimmer trash boats and also to provide journalists and other guests with rides in the boat. We also did a news release about the addition of two new members to the board.

In addition, we partnered with the District government for an event about alley construction to share news about our effort to build green infrastructure in parts of the city. And we issued a press release about the Girl Scout learning activity sponsored by DC Water and held here at Blue Plains.

Aside from the releases, the media relations team helped to facilitate interviews with the executive team and responded to breaking news requests from reporters tracking the fallout from a large water main failure on MacArthur Blvd.

## Message from the CEO/GM

### *Press Releases*

- March 24: DC Water and Xylem will unveil the world's first intelligent wastewater pumping system
- March 22: Traffic Advisory - Modified Traffic Closure on Oregon Avenue, NW
- March 20: Traffic Advisory - Canal Road, NW and Foxhall Road, NW
- March 20: Spring Cleaning For DC Water Pipes Begins March 20

### *Media Coverage*

- [Congressional Staffers Experience Water Works at Blue Plains Facility](#)  
(NACWA / April 26, 2017)
- [The misery of life in a construction disaster zone](#)  
(The Washington Post / May 1, 2017)
- [Creativity Is Key in Finding Funds for Water Infrastructure Projects](#)  
(Water Deeply / May 5, 2017)
- [Potomac pollution warning beacon broken, out of service during weekend overflow](#)  
(WUSA-9 / May 8, 2017)
- [The Anacostia River's Health Still Gets An 'F,' But Things Are Looking Up](#)  
(DCist / May 9, 2017)

### *Meetings/Presentations/Events*

- DC Water conducted an environmental lesson at the British International School of Washington in Northwest, Washington, DC. Focused on the topic of “drinking water”, the lesson was targeted toward 3rd grade students at the school. In addition to the lesson, DC Water also provided giveaways.
- DC Water staffed an information table at the Hendley Elementary School S.T.E.M. Expo in Southeast, Washington, DC. This proved to be a very worthwhile outreach opportunity, as DC Water representatives discussed their work with many of our eager, young leaders of tomorrow.
- DC Water attended the monthly meeting of ANC 3F to provide an update on its Small Diameter Water Main Replacement Project within the vicinity of Brandywine and 31st Streets, NW.
- DC Water attended the monthly meeting of ANC 5C to provide an update on its Northeast Boundary Tunnel Project.
- In celebration of Earth Month, DC Water provided information, giveaways and a special guest appearance by Wendy the Water Drop at the US Department of Transportation's Annual Earth Day Celebration.
- In celebration of Earth Month, DC Water provided information, giveaways and a special guest appearance by Wendy the Water Drop at the United States Botanic Gardens' 2017 Earth Day Open House Celebration.
- In celebration of Earth Month, DC Water provide giveaways and a special guest appearance by Wendy the Water Drop at the Anacostia Watershed Society's 2017 Earth Day Cleanup Event. In support of this event, DC Water's outreach team staffed the cleanup location adjacent to CSO 019 (behind RFK Stadium) along with the DC Clean Rivers Project team.

## Message from the CEO/GM

- DC Water provided its regular support to the Joint Base Anacostia Bolling Earth Day Cleanup Event, in the loan of a roll-off dumpster and recycling receptacle to the event organizers.
- As part of ongoing, aggressive outreach efforts in support of its Saint Elizabeths Water Storage Tower Project and PRV installation program as part of the project, DC Water attended a meeting with Single-Member District 8D02 to provide a detailed presentation and address community questions and concerns.
- DC Water attended the monthly meeting of the Edgewood Civic Association to provide an update on the utility relocation work currently underway in preparation for the Northeast Boundary Tunnel Project.
- DC Water attended the monthly meeting of ANC 4B to provide two separate presentations: updates on its Green Infrastructure program; and also a brief but detailed presentation on its Water Meter Rehabilitation Project.
- DC Water attended the monthly meeting of ANC 5A to provide updates on its Green Infrastructure program.
- DC Water attended the monthly meeting of ANC 2E to provide two separate presentations: Presentation on its Georgetown Combined Sewer Rehabilitation Project; and presentation on its Capital Crescent Trail Repairs project.
- DC Water attended the monthly meeting of ANC 1C to provide an update on its Small Diameter Water Main Replacement Project within the vicinity of Kalorama Road NW, Champlain Street NW, California Street NW, and V Streets NW.
- As part of ongoing, aggressive outreach efforts in support of its Saint Elizabeths Water Storage Tower Project and PRV installation program as part of the project, DC Water project team members rose bright and early on a Saturday morning to attend the monthly meeting of the Hillside Civic Association to provide a detailed presentation and address community questions and concerns.
- DC Water attended the monthly meeting of the Albright Community Forum with local area residents to address general billing questions and concerns, and also to provide a presentation on this Water Meter Rehabilitation Project.
- In celebration of National Drinking Water Week, DC Water once again partnered with Key Bridge Boat House in hosting a “Tour de Quench Buggy” event directly in front of the Boat House. As during previous years, this was a great opportunity to get out in the community at random and showcase the Quench Buggy while engaging customers about their drinking water.
- In partnership with WSSC, DC Water successfully hosted its first “Wonders of Water Journey” event at Blue Plains. Engaging approximately 64 Girl Scout troop members and their troop leaders from the District and outlying counties across Maryland and Virginia, DC Water provided a host of games, activities and demonstrations that all served to teach these youngsters about their drinking water, water conservation and stewardship. As a full hands-on event, this enlisted the support of a wide number of departments and offices, including Information Technology-Telecommunications, Facilities, Emergency Management, External Affairs, Engineering and Technical Services, DC Clean Rivers Project, Wastewater Engineering, Finance and Budget, Maintenance Services, Customer Service, Occupational Safety and Health, Security, and Water Services. This far-reaching event also required inter-agency collaboration with the DC Department of Parks and Recreation, in the use of additional tents, tables and chairs from this supportive agency.

## Message from the CEO/GM

- As part of ongoing support to the B'nai Israel Preschool Truck Day, DC Water provided some of its work trucks as display/demonstration vehicles during the event, and also provided activity books and kids' sized water bottles as giveaways.

### *Tours*

- 17 students from the Lorien Wood School
- 15 students from Johns Hopkins
- 18 representatives from the Department of Defense
- 15 students from Georgetown
- 25 NACWA members
- 15 members of the National Capital Area Environmental Health Association
- 21 students from Friendship Charter High School
- 10 members of the Food Safety Inspection Service
- 5 representatives from American Water
- 9 DC residents

## Message from the CEO/GM

### Social Media

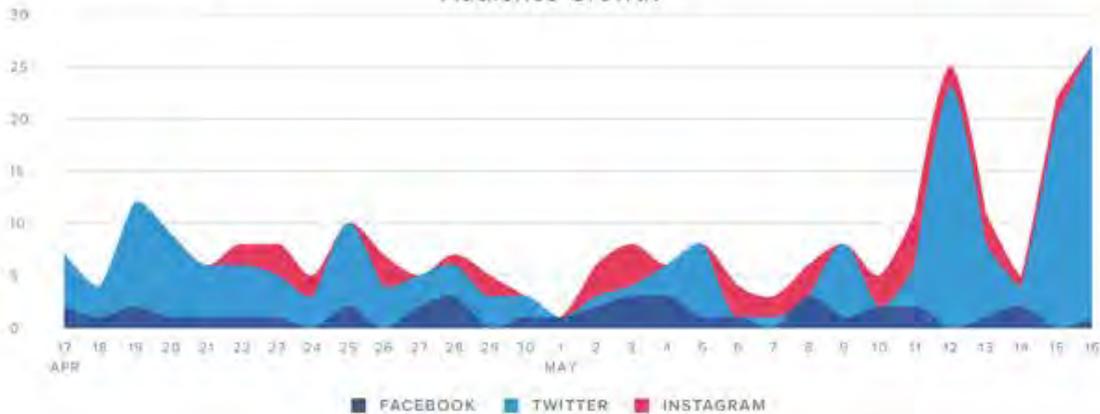
This month's social media highlight is the Boat Naming Contest. We received over 100 submissions via Twitter, Instagram, and Facebook. The best 3 submissions were polled on Twitter for 24 hours where the public then voted for their favorite. The poll received a total of 192 votes, and the winning names were Flotsam and Jetsam.

The Twitter post announcing the contest had 979 total engagements and an engagement rate of 13.2%

Profile/Page	Total Fans / Followers	Fan / Follower Increase	Messages Sent	Impressions	Impressions per Post	Engagements	Engagements per Post	Link Clicks
 Facebook	2,534	1.48%	18	59,484	3,305	542	30.1	104
 mydcwater	1,129	2.73%	10	—	—	593	59.3	—
 @dcwater	14,770	1.14%	173	153,785	889	6,736	38.9	139

AUDIENCE GROWTH, BY DAY

Audience Growth



Audience Growth Metrics

	Total	Change
<b>Total Fans</b>	<b>18,433</b>	<b>▲ 1.3%</b>
New Facebook Fans	39	▲ 77.3%
New Twitter Followers	165	▲ 40.7%
New Instagram Followers	30	▼ 38.8%
<b>Total Fans Gained</b>	<b>235</b>	<b>▲ 24.3%</b>

Total fans increased by

**▲ 1.3%**

since previous date range

Engagement Metrics

	Total	Change
Facebook Engagements	542	▼ 26.3%
Twitter Engagements	6,736	▼ 21.2%
Instagram Engagements	593	▼ 38.0%
<b>Total Engagements</b>	<b>7,871</b>	<b>▼ 23.2%</b>

The number of engagements decreased by

**▼ 23.2%**

since previous date range

## ORGANIZATIONAL PERFORMANCE DASHBOARD (APRIL, 2017)

### Financial Highlights

<b>Net Operating Cash</b> Actual <b>87047</b> Target <b>48216</b> (\$ tho)	<b>Operating Revenues</b> Actual <b>350</b> Target <b>347</b> (\$ mil)	<b>Operating Expenses</b> Actual <b>277</b> Target <b>313</b> (\$ mil)	<b>Capital Disbursements</b> Actual <b>308</b> Target <b>295</b> (\$ mil)
<b>Operating Cash Balance</b> Actual <b>155</b> Target <b>126</b> (\$ mil)	<b>Delinquent Account Receivables</b> Actual <b>2</b> Target <b>3</b> (%)	<b>Core Investments Yield</b> Actual <b>1.25</b> Target <b>1.26</b> (%)	<b>Short Term Investment Yield</b> Actual <b>0.89</b> Target <b>0.72</b> (%)

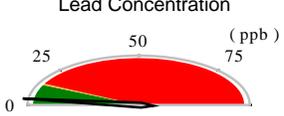
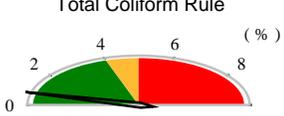
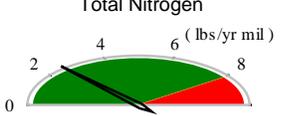
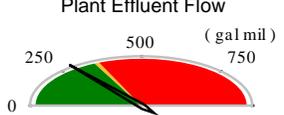
### Customer Care and Operations Highlights

<b>Call Center Performance</b>  Apr <b>85</b> 85 (% of calls rec)	<b>Command Center Performance</b>  Apr <b>86</b> 85 (% of calls rec)	<b>First Call Resolution</b>  Apr <b>82</b> 75 (% of calls rec)	<b>Emergency Response Time</b>  Apr <b>93</b> 90 (% of calls rec)
<b>Fire Hydrants out of Service</b>  Apr <b>23</b> 96 (count)	<b>Fire Hydrant Insps. and Maint.</b> <b>28</b> (count)	<b>Fire Hydrants Replaced</b>  Apr <b>63</b> 250 (YTD count)	<b>Permit Processing within SLA</b> <b>74</b> (%)

### Low Income Assistance Program

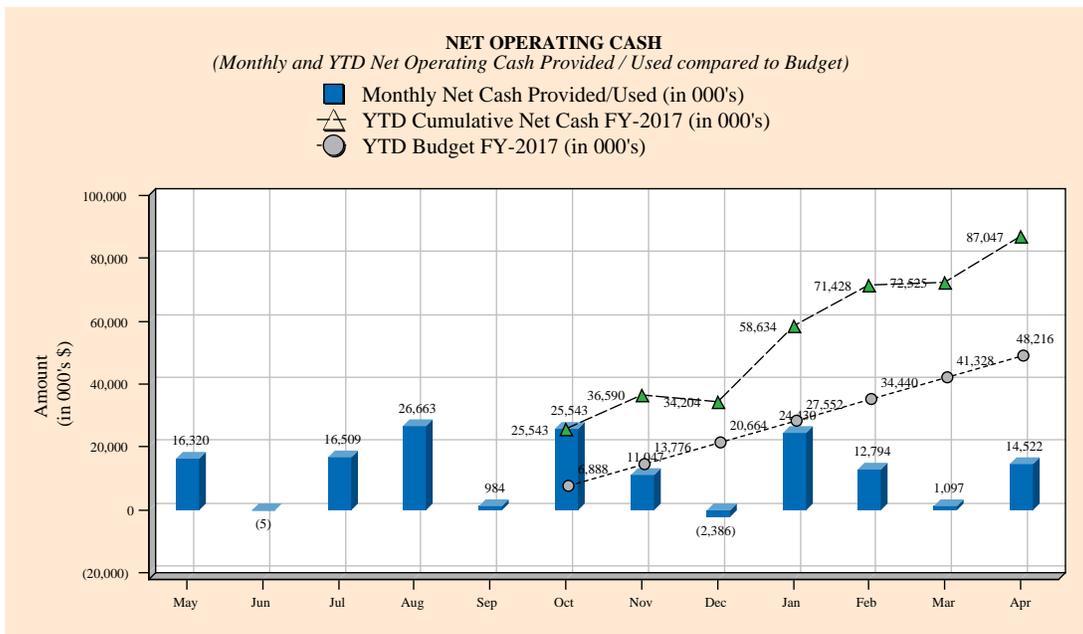
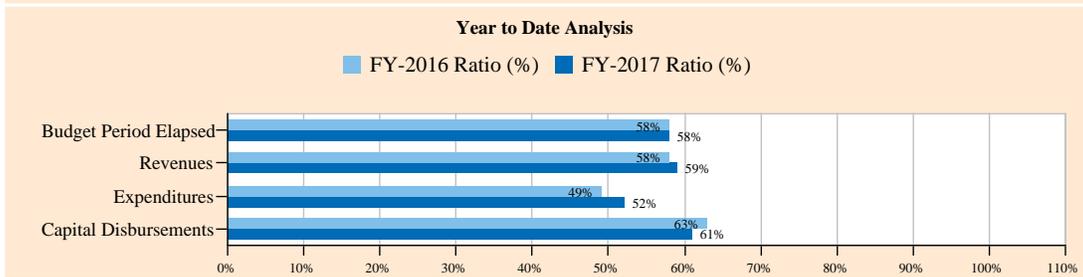
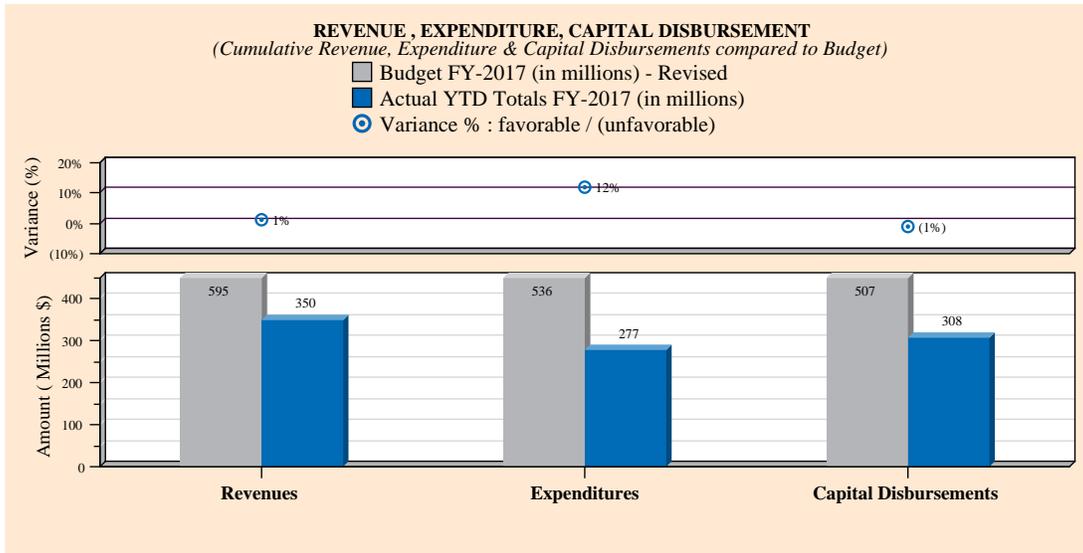
<b>Splash Contributions</b> Actual <b>62</b> Target <b>47</b> (\$ tho)	<b>Customer Assistance Program</b> Previous <b>84</b> Current <b>372</b> (\$ tho)
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### Operational Highlights

<b>Lead Concentration</b>  (ppb)	<b>Total Coliform Rule</b>  (%)	<b>Biosolids Production</b> <b>446</b> (wet tons)	<b>Total Nitrogen</b>  (lbs/yr mil)
<b>Plant Effluent Flow</b>  (gal mil)	<b>Excess Flow</b> <b>42</b> (gal mil)	<b>Water Main Leaks</b> <b>17</b> (count)	<b>Water Valve Leaks</b> <b>1</b> (count)
<b>Non-Revenue Water</b> Sold <b>8</b> Purchased <b>11</b> (CCF mil)	<b>Sewer Main Backups</b> <b>13</b> (count)	<b>Sewer Lateral Backups</b> <b>160</b> (count)	<b>Dry Weather CSO</b> <b>0</b> (events)
<b>Recruitment Activity</b> Filled <b>19</b> Open <b>104</b> (count)	<b>Electricity Usage</b> <b>17446</b> (MWh)	<b>Employee Lost Time Accidents</b> <b>7</b> (count)	<b>Vendor Payments</b> Actual <b>98</b> Target <b>97</b> (%)

**FINANCIAL HIGHLIGHTS**

**FINANCIAL PERFORMANCE SUMMARY**



*Net cash to date for April was above budget by \$39 Million*

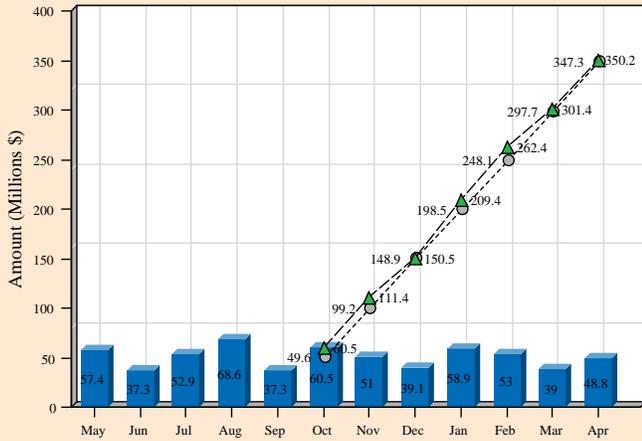
**FINANCIAL HIGHLIGHTS**

**REVENUES AND OPERATING EXPENSES**

**OPERATING REVENUES**

Monthly & Cumulative Revenue compared to YTD Budget

- Actual Monthly Revenue
- △ YTD Cumulative Revenue FY-2017
- YTD Cumulative Budget FY-2017

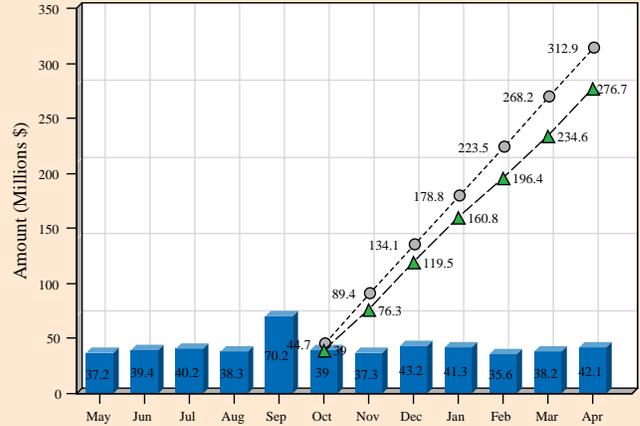


Revenue to date for April was above Budget by \$3 Million

**OPERATING EXPENSES**

Monthly & Cumulative Expenditure compared to YTD Budget

- Actual Monthly Expenses
- △ YTD Cumulative Expenditure FY-2017
- YTD Cumulative Budget FY-2017



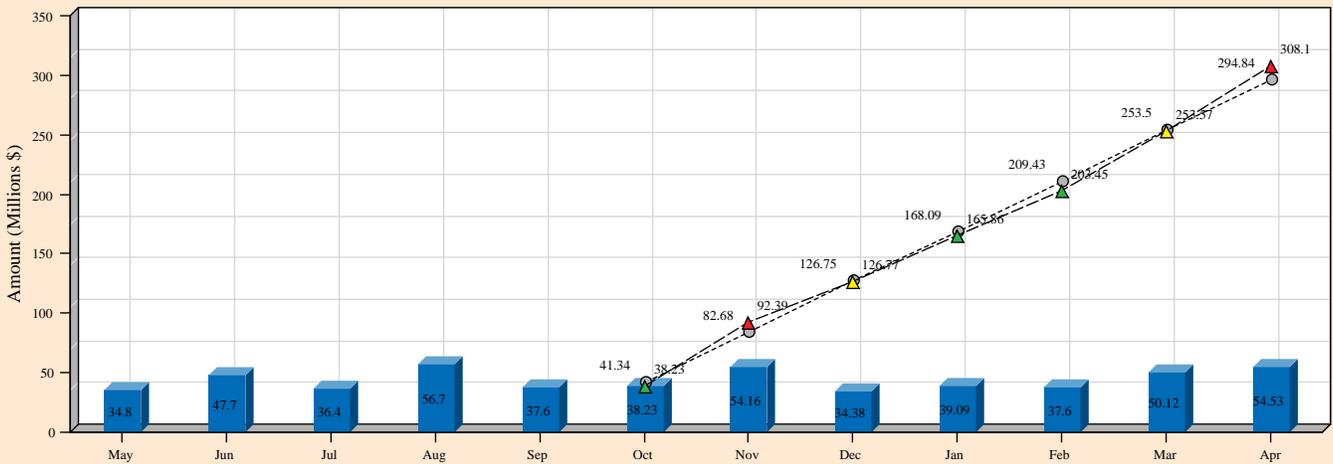
Expenditure to date for April was below budget by \$36 Million

**CAPITAL SPENDING**

**CAPITAL DISBURSEMENTS**

Monthly & Cumulative Disbursements compared to YTD Budget

- Actual Monthly Disbursements
- △ YTD Cumulative Disbursements FY-2017
- YTD Cumulative Budget FY-2017



Disbursements to date for April was above budget by \$13 Million

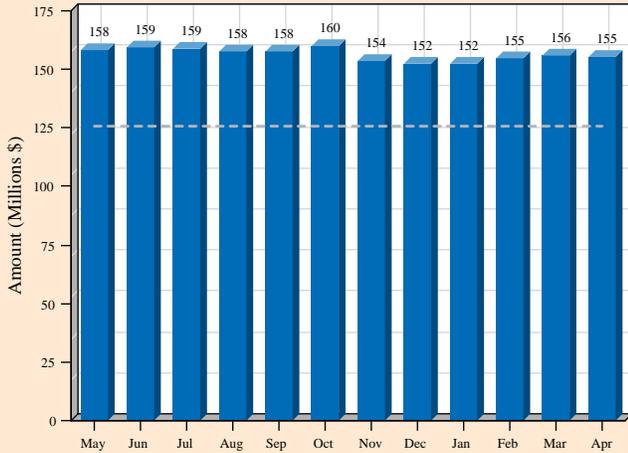
**FINANCIAL HIGHLIGHTS**

**OPERATING CASH AND RECEIVABLES**

**OPERATING CASH BALANCE**

Average Daily Cash Balance compared to Operating Reserve Target

- Actual Cash Balance FY-2017
- - - Operating Reserve Target - (126 Million)

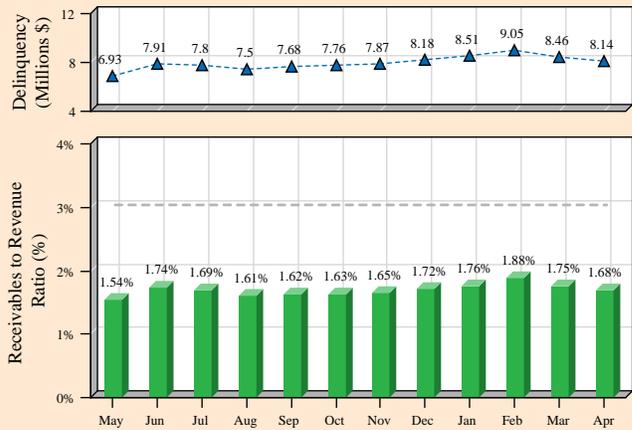


Cash Balance for April was above target by \$ 30 million

**DELINQUENT ACCOUNT RECEIVABLES**

Delinquency & Receivables to Revenue Ratio compared to Target

- Receivables to Revenue Ratio
- ▲ Delinquencies FY-2017 (in millions)
- - - Target: Receivables to Revenue Ratio (3%)



April Receivables to Revenue Ratio 1.68%, Delinquency \$8.14 Million

**INVESTMENT EARNINGS**

**INVESTMENT CASH EARNINGS**

Monthly & Cumulative Earnings compared to YTD Budget

- Monthly Earnings (in 000's)
- ▲ YTD Cumulative Earnings FY-2017 (in 000's)
- YTD Cumulative Earnings Budget FY-2017 (in 000's)



Earnings to date for April were below Projected Budget by \$251,000

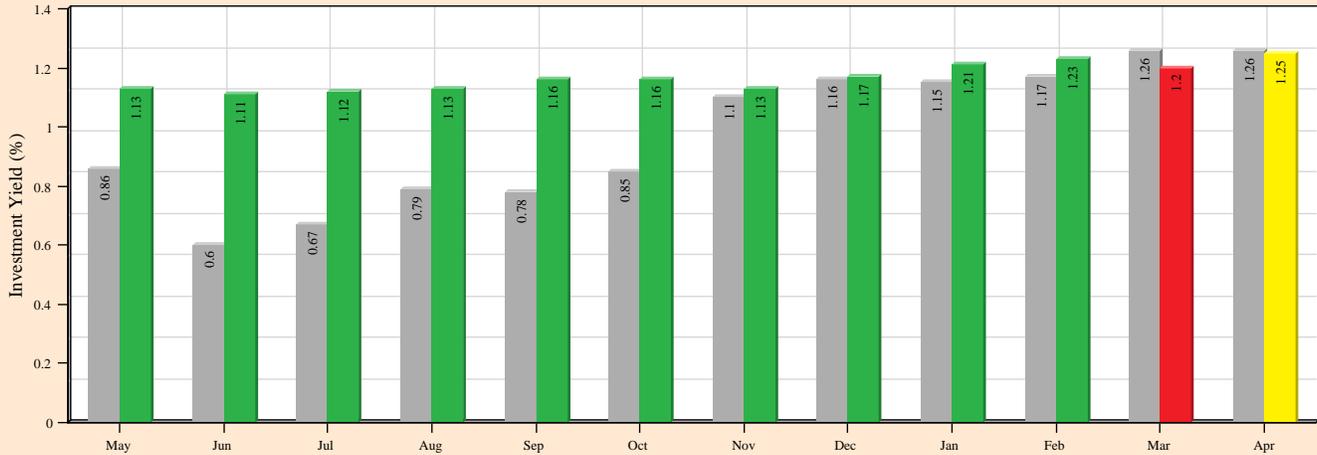
**FINANCIAL HIGHLIGHTS**

**INVESTMENT YIELD**

**CORE INVESTMENTS YIELD**

Monthly Yield compared to Merrill Lynch Benchmark

- Actual Monthly Yield (%)
- Merrill Lynch 1-3 Year Treasury Index - Book Value (%)

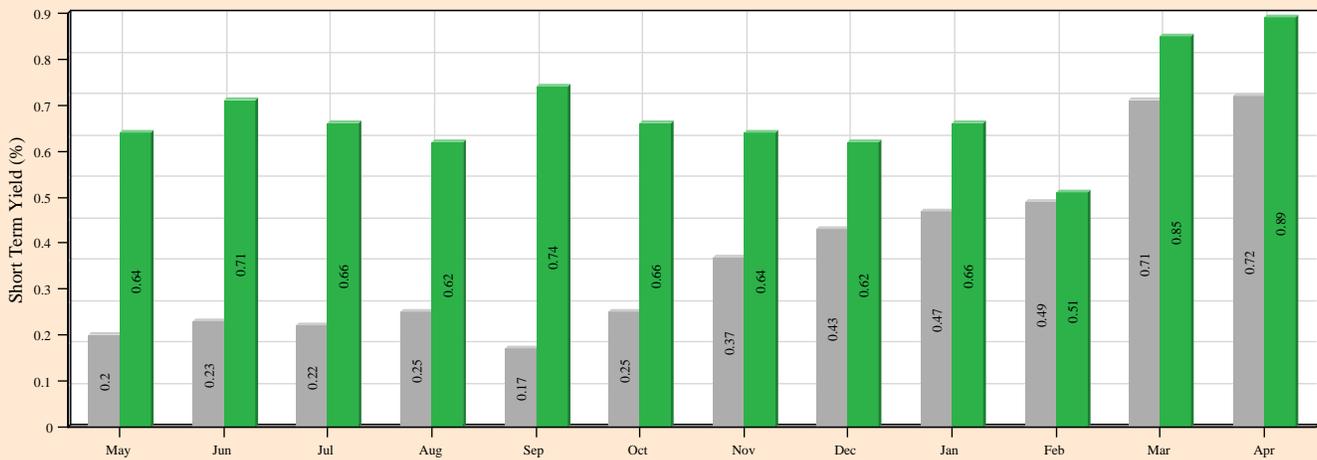


Yield for April was lower than the treasury index by 0.01%

**SHORT TERM INVESTMENT YIELD**

Short Term Yield compared to Merrill Lynch Benchmark

- Actual Monthly Yield (%)
- Merrill Lynch 3-Month Treasury Index - Book Value (%)



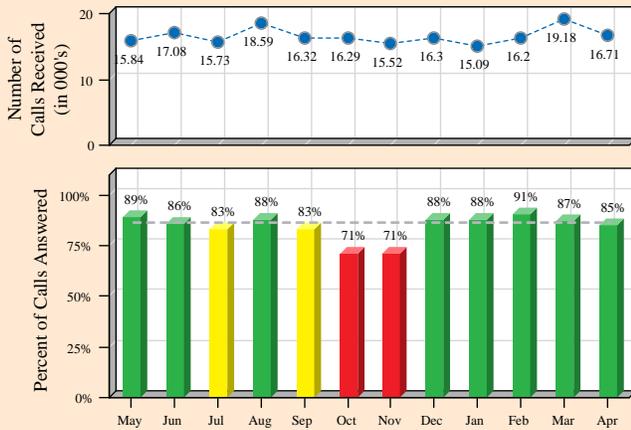
Short Term Yield for April was higher than the Merill Lynch yield by 0.17%

**CUSTOMER CARE AND OPERATIONS HIGHLIGHTS**

**CUSTOMER SERVICE**

**CALL CENTER PERFORMANCE**  
Calls Answered within 40 Seconds compared to Target

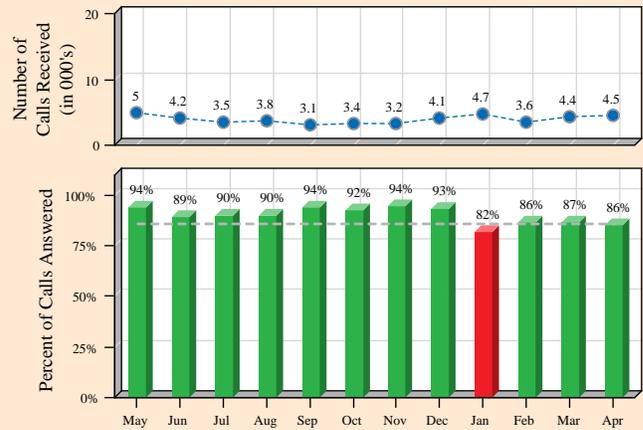
- Call Center: Calls answered (%)
- No of Calls - Call Center (in 000's)
- Target - Call Center (85%)



Performance for April was on target

**COMMAND CENTER PERFORMANCE**  
Calls Answered within 40 Seconds compared to Target

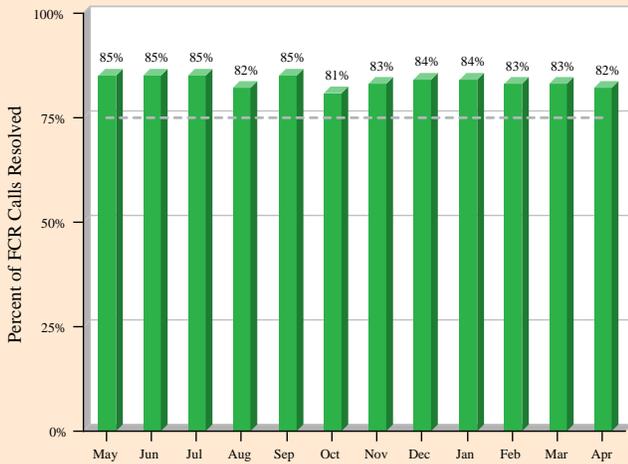
- Command Center: Calls answered (%)
- No of Calls - Command Center (in 000's)
- Target - Command Center (85%)



Performance for April was above target by 1%

**FIRST CALL RESOLUTION (FCR)**  
Calls resolved on first contact compared to Target

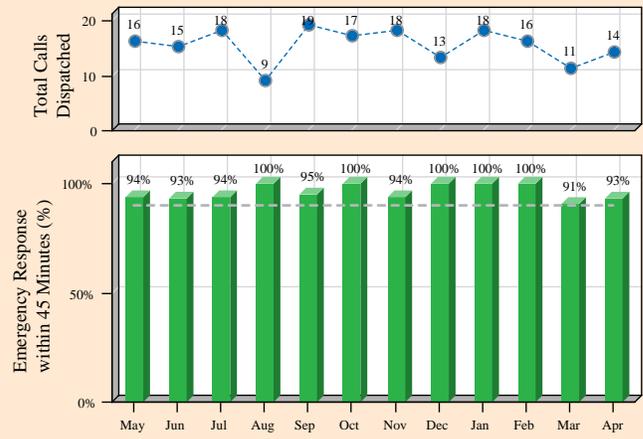
- FCR (%)
- FCR Target (75%)



Performance for April was above target by 7%

**EMERGENCY RESPONSE TIME**  
Calls responded to within 45 Minutes compared to Target

- Response (%) within Target
- Total Emergency Calls Dispatched
- Response Target (90%)



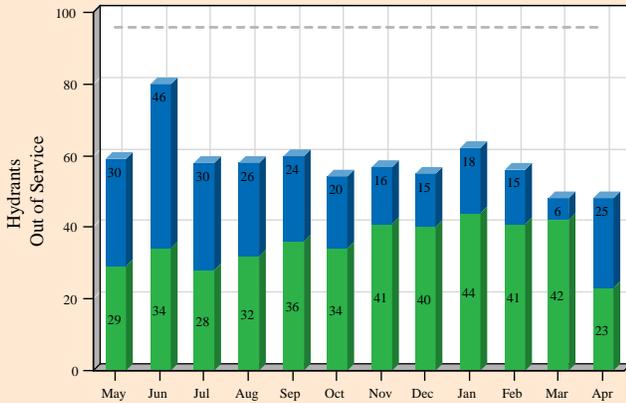
Performance for April was above target by 3%

**CUSTOMER CARE AND OPERATIONS HIGHLIGHTS**

**FIRE HYDRANTS**

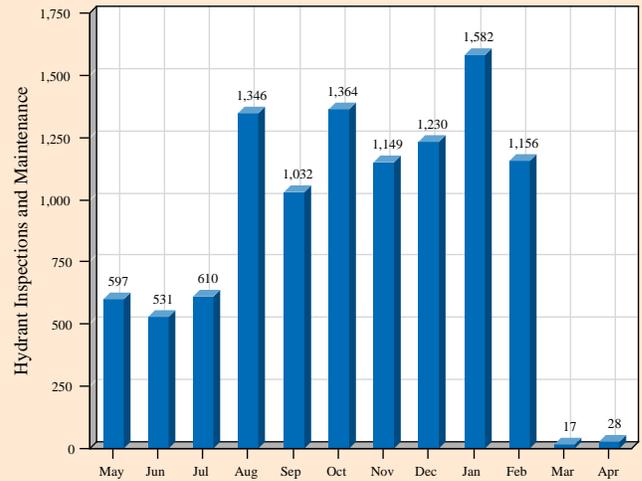
**FIRE HYDRANTS OUT OF SERVICE (OOS)**  
Total Hydrants Out of Service against Target

- Out of Service Fire Hydrants (Defective OOS Hydrants)
- In-Operational - OOS Due to Inaccessibility or Temporary Work
- Out of Service Hydrants Target (96)



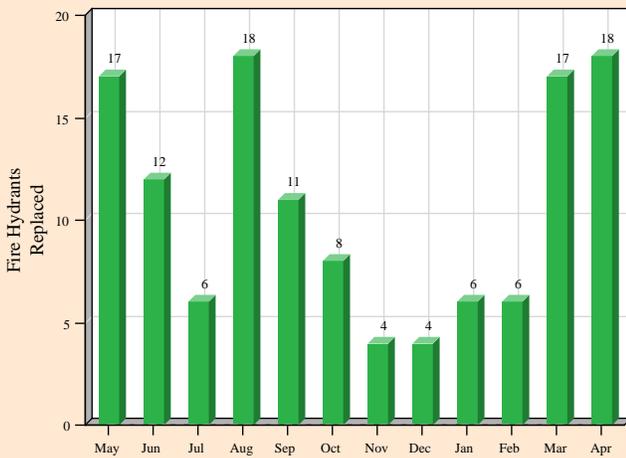
**Fire Hydrant Inspections and Maintenance**  
Total Hydrant Inspection and Maintenance Work Orders Completed per Month

- Hydrant Inspections and Maintenance



**FIRE HYDRANT REPLACEMENTS**  
Total Hydrants Replaced per Month

- Hydrants Replaced
- Annual Replacement Target (250)

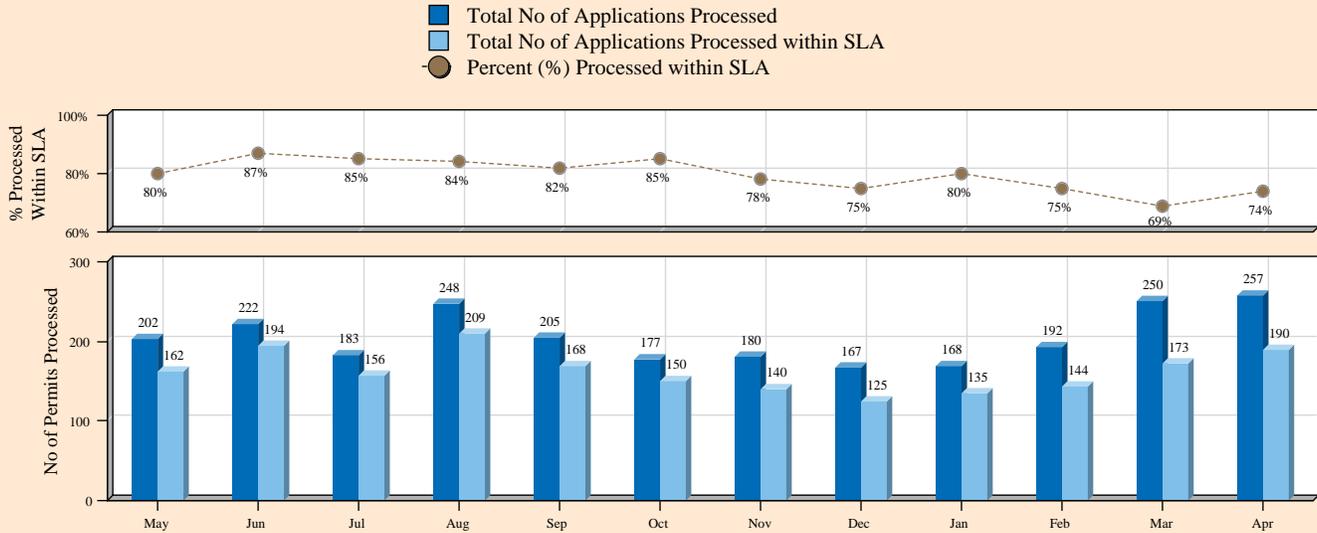


Total replacements as of April were 63 against annual projections of 250

**CUSTOMER CARE AND OPERATIONS HIGHLIGHTS**

**PERMIT PROCESSING**

**TOTAL APPLICATIONS PROCESSED WITHIN SERVICE LEVEL AGREEMENT (SLA)**



SLA Examples: Raze Permit - 14days, Sheeting and Shoring - 14 days, Preliminary Plan Review - 45 days

*Permits not processed within SLA in April were 26% Note that different SLA's range from 7 days to 45 days*

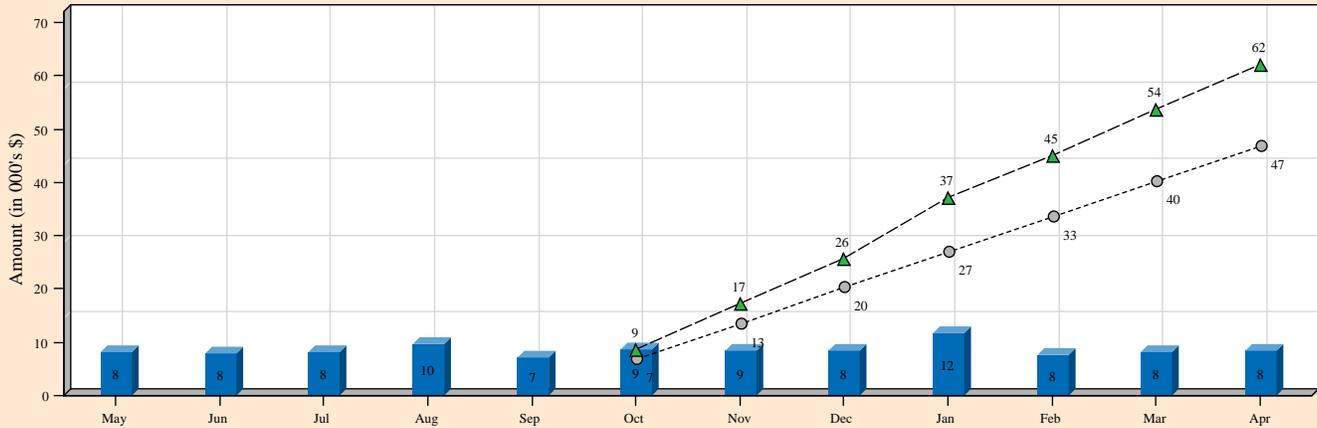
**LOW INCOME ASSISTANCE PROGRAM**

**SPLASH PROGRAM**

**SPLASH CONTRIBUTIONS**

Monthly and Cumulative Contributions compared to YTD Target

- Monthly Contributions (in 000's)
- △ YTD Cumulative Contributions FY-2017 (in 000's)
- Projected YTD Target FY-2017 (in 000's)



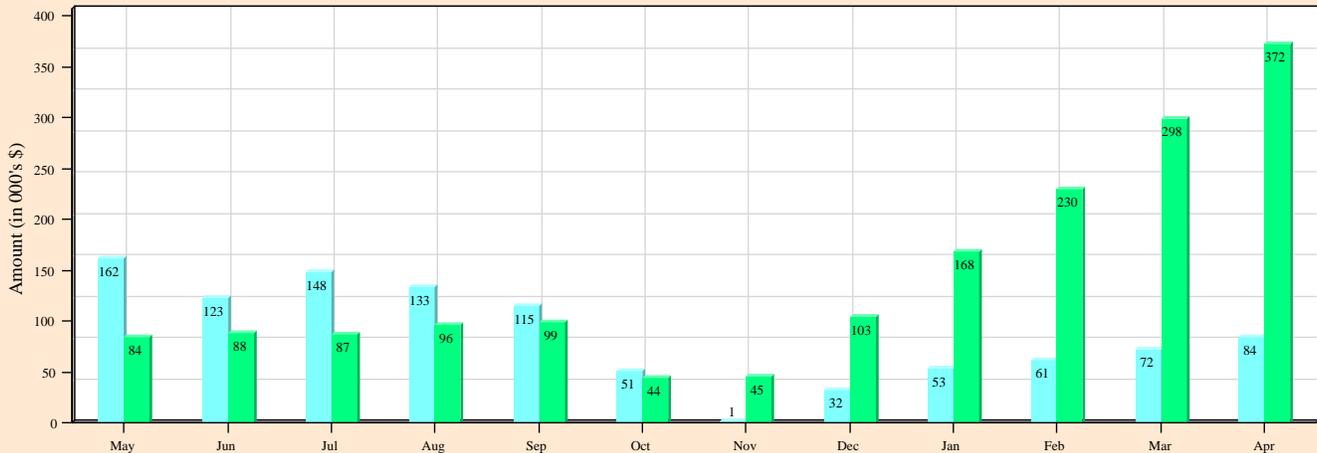
Total SPLASH Contributions to date for April were above target by \$ 15,000

**CUSTOMER ASSISTANCE PROGRAM (CAP)**

**CUSTOMER ASSISTANCE PROVIDED**

Monthly Assistance Provided compared to corresponding Previous Year Periods

- Actual Monthly Amount - Previous Year (in 000's)
- Actual Monthly Amount - Current Year (in 000's)



**OPERATIONAL HIGHLIGHTS**

**DRINKING WATER QUALITY**

**LEAD AND COPPER RULE (LCR) COMPLIANCE**  
*Semi-Annual LCR Monitoring Results*

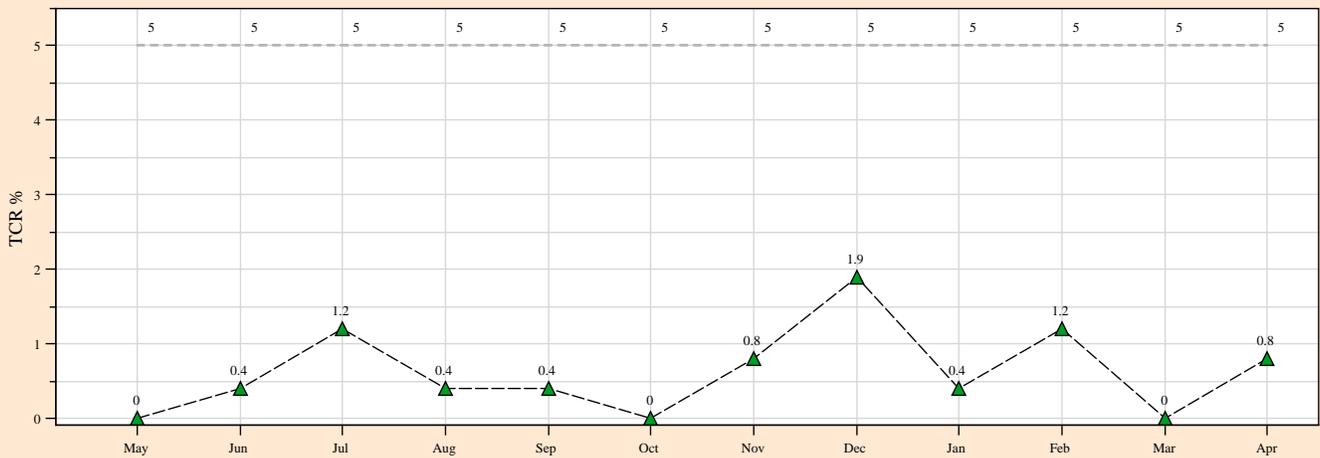
- 2016 LCR Results
- △ 2017 LCR Results
- Action Level : 15 parts per billion (ppb)



*Jan-Jun 2017 results to date*

**TOTAL COLIFORM RULE (TCR)**  
*Total Coliform Positives compared to EPA Maximum Contaminant Level (MCL)*

- △ TCR Level
- EPA Maximum Contaminant Level (5%)

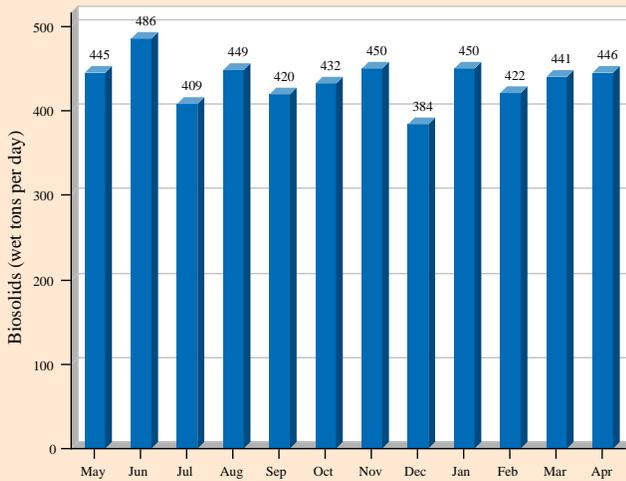


*Coliform Positive was recorded at 0.8% in April*

**OPERATIONAL HIGHLIGHTS**

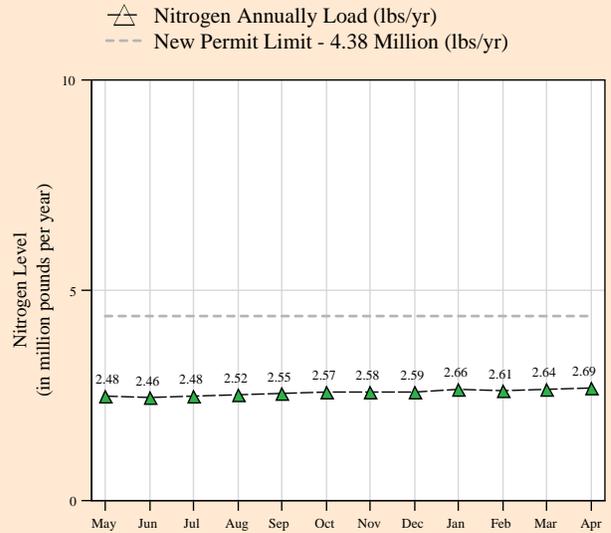
**WASTEWATER TREATMENT**

**BIOSOLIDS PRODUCTION**  
Average Daily Biosolids Production  
Average Daily Biosolids Hauled



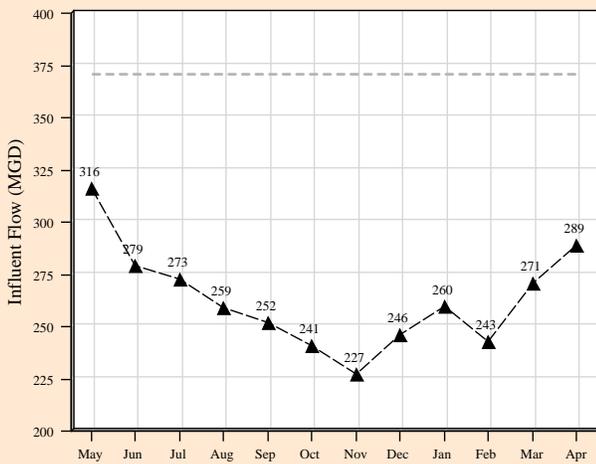
*Biosolids Average Daily Production for April was 446 wet tons per day*

**TOTAL NITROGEN**  
Total Nitrogen compared to New Permit Levels



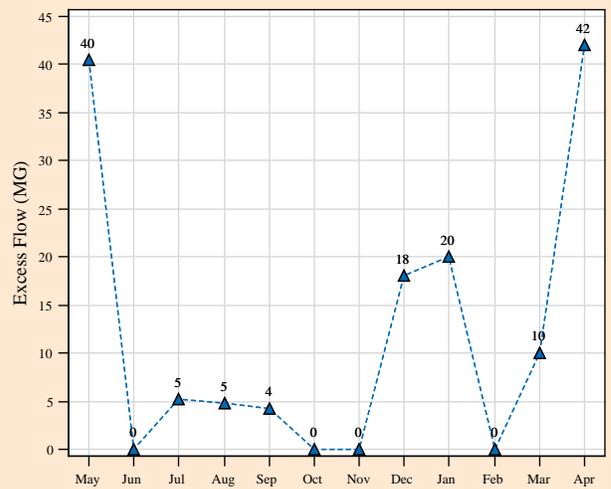
*Nitrogen level for April was below permit by 1.7 million lbs/yr*

**PLANT INFLUENT FLOW**  
Influent Flow compared to Plant Design Average Limit  
Effluent Flow  
Design Average (370 mgd)



*In April, Effluent flow was below design by 81 MGD*

**EXCESS FLOW**  
Excess Flow



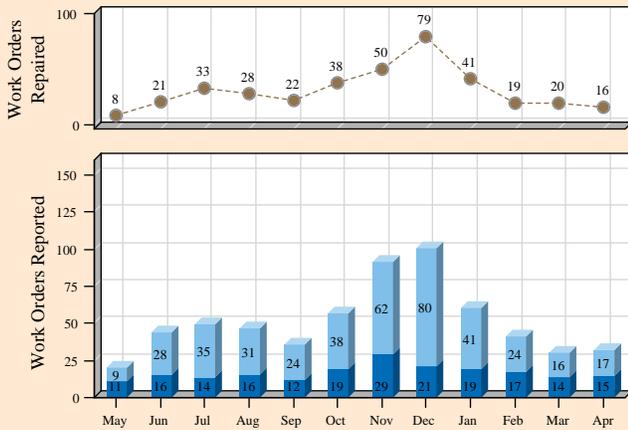
*Excess flow events was recorded at 42 MG in April 2017*

**OPERATIONAL HIGHLIGHTS**

**WATER DISTRIBUTION OPERATIONS**

**WATER MAIN WORK ORDERS**

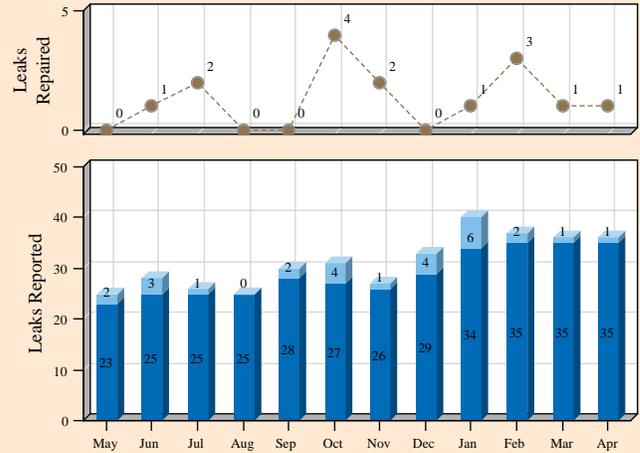
- Pending Main Work Orders
- Water Main Work Orders Reported
- Water Main Work Orders Repaired



*There were 17 Water Main Work Orders reported in April*

**WATER VALVE LEAKS**

- Pending Valve Leaks
- Valve Leaks Reported
- Valve Leaks Repaired



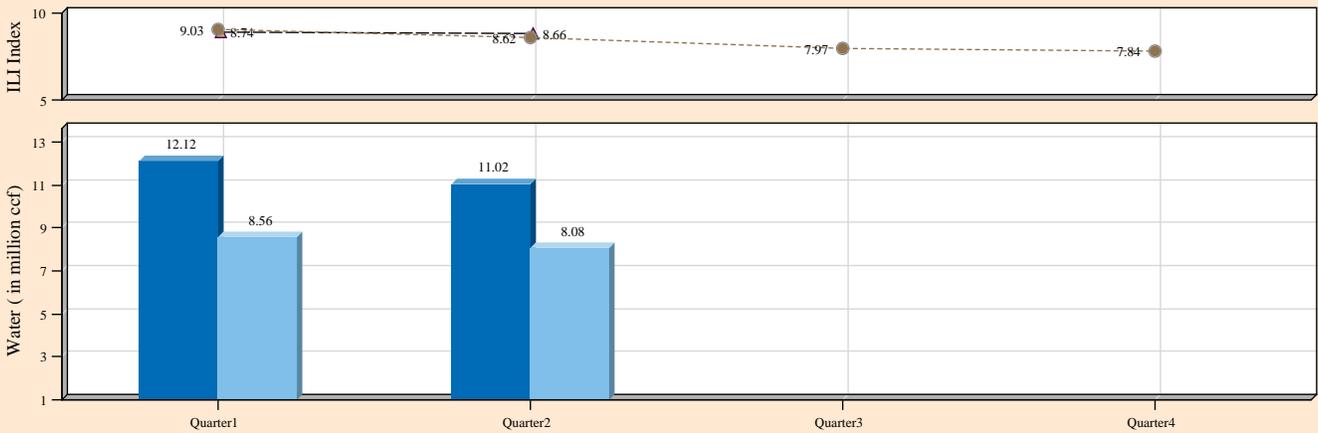
*1 leak was resolved in April*

**WATER BALANCE**

**NON-REVENUE WATER**

*Volume of Water Purchased and Sold per Quarter*

- FY-2017: Water Purchased
- FY-2017: Water Sold
- FY-2016: Infrastructure Leakage Index
- ▲ FY-2017: Infrastructure Leakage Index



*In the 2nd quarter 8.1 out of 11 million cubic feet of water was sold*

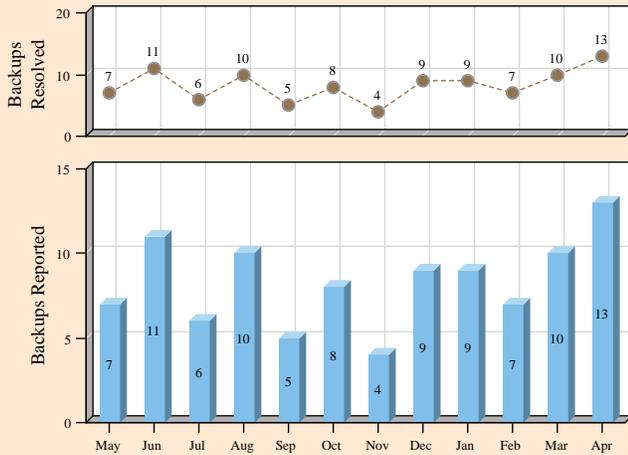
**OPERATIONAL HIGHLIGHTS**

**SEWER SYSTEM OPERATIONS**

**SEWER MAIN BACKUPS**

*Sewer Mains Backed Up and Relieved per Month*

- Pending Main Backups
- Main Backups Reported
- Main Backups Resolved

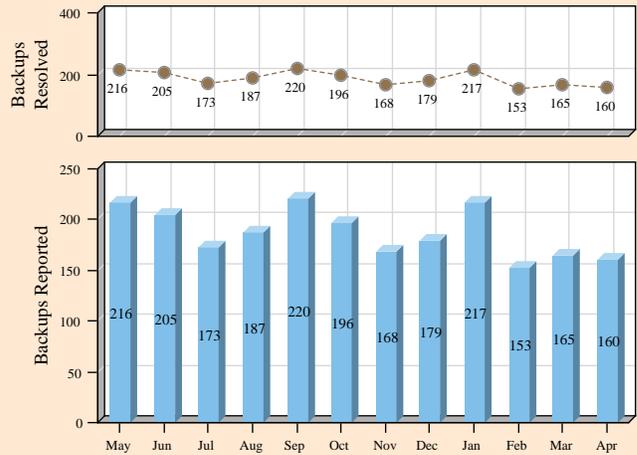


*No pending main backups reported*

**SEWER LATERAL BACKUPS**

*Sewer Laterals Backed Up and Relieved per Month*

- Pending Lateral Backups
- Lateral Backups Reported
- Lateral Backups Resolved



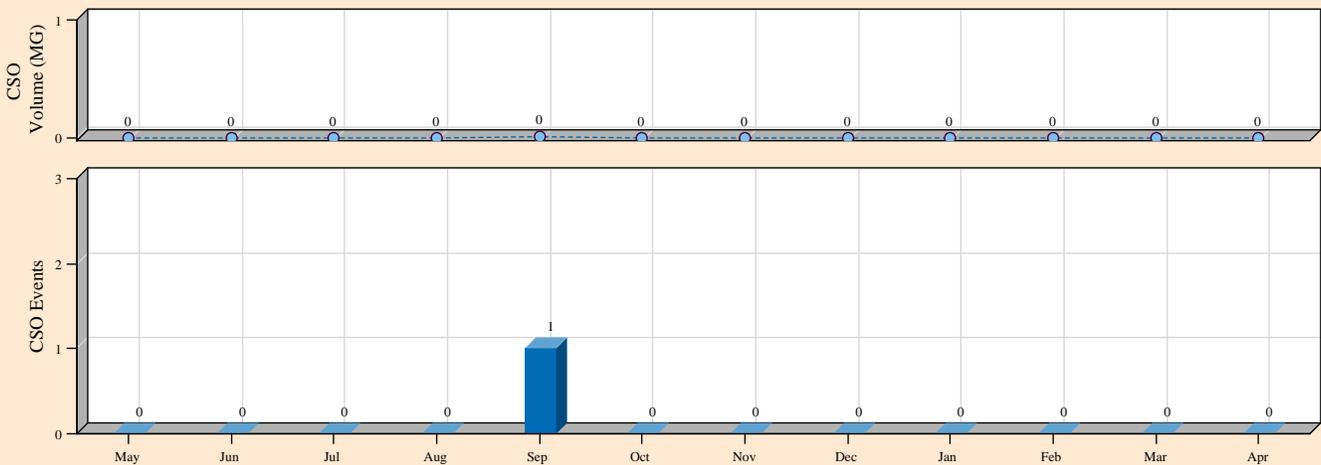
*No pending lateral backups reported*

**COMBINED SEWER SYSTEM**

**DRY WEATHER CSO EVENTS**

*Combined Sewer Overflow Volume and No of Events per Month*

- Number of CSO Events
- Overflow Volume (MG)

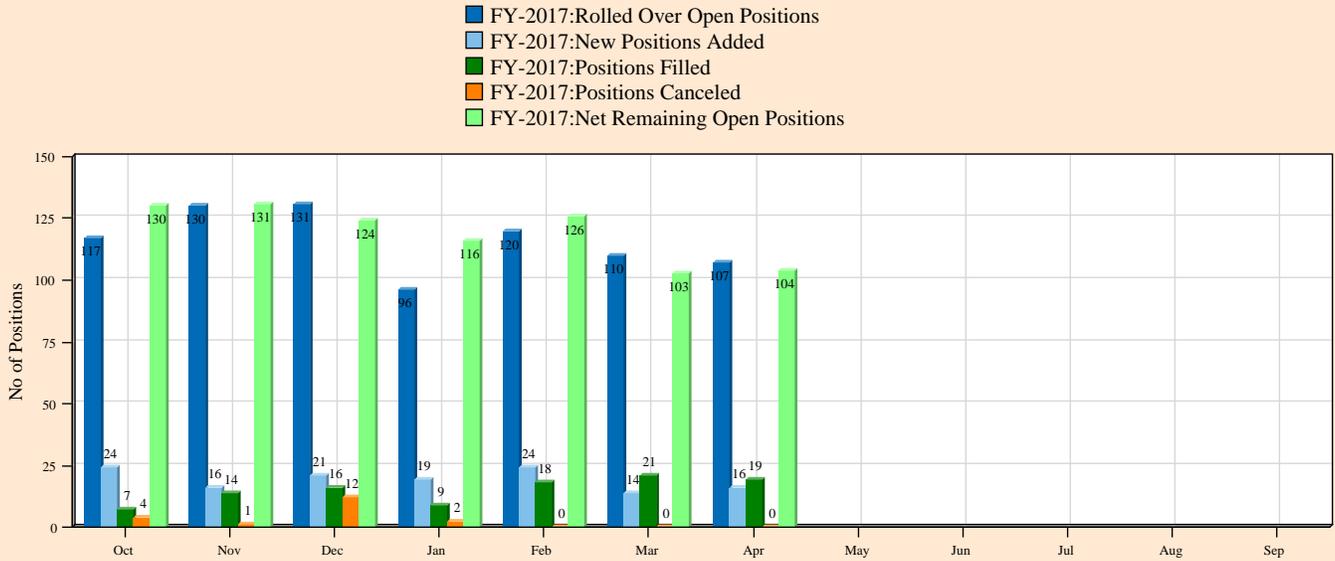


*No dry weather Combined Sewer Overflow event was recorded in April 2017*

**OPERATIONAL HIGHLIGHTS**

**HUMAN RESOURCES**

**RECRUITMENT ACTIVITY**



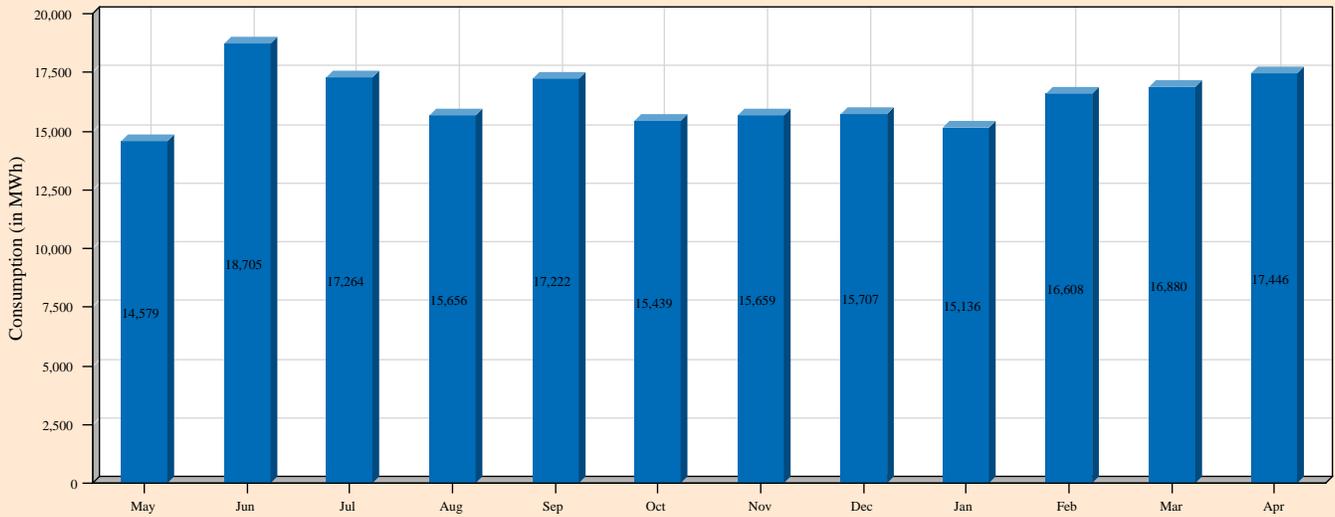
*In April we began the month with 107 positions, received 16 new positions, filled 19, 0 cancellations and ended the month with 104 positions*

**OPERATIONAL HIGHLIGHTS**

**ENERGY**

**ELECTRICITY USAGE SUMMARY**

■ Total Consumption (MWh)



*Electricity Consumption in April was 17,446 MWh*

**ELECTRICITY USAGE BY SERVICE AREA**

■ Sewer Pumping ■ Water Pumping ■ Waste Water Treatment



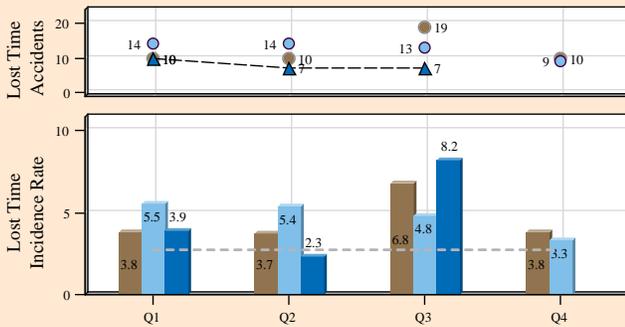
*Wastewater treatment had the highest electricity consumption in April at 15,248 MWh*

**OPERATIONAL HIGHLIGHTS**

**SAFETY**

**EMPLOYEE LOST TIME INCIDENCE RATE**

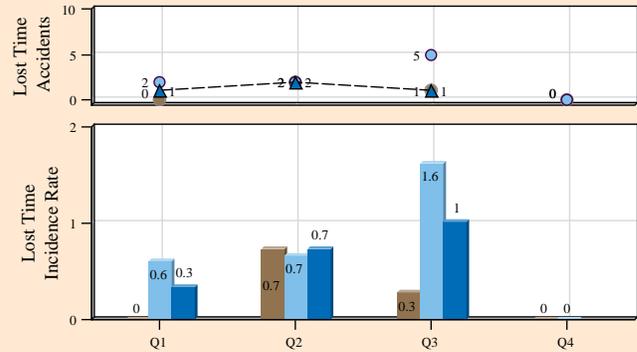
- FY-2015: LT Incidence Rate
- FY-2016: LT Incidence Rate
- FY-2017: LT Incidence Rate
- FY-2015: No of LT Accidents
- FY-2016: No of LT Accidents
- ▲ FY-2017: No of LT Accidents
- - - Target/National: LT Incidence Rate



*In 1st Month of 3rd quarter, 7 lost time accidents were reported*

**CONTRACTOR LOST TIME INCIDENCE RATE**

- FY-2015: LT Incidence Rate
- FY-2016: LT Incidence Rate
- FY-2017: LT Incidence Rate
- FY-2015: No of LT Accidents
- FY-2016: No of LT Accidents
- ▲ FY-2017: No of LT Accidents

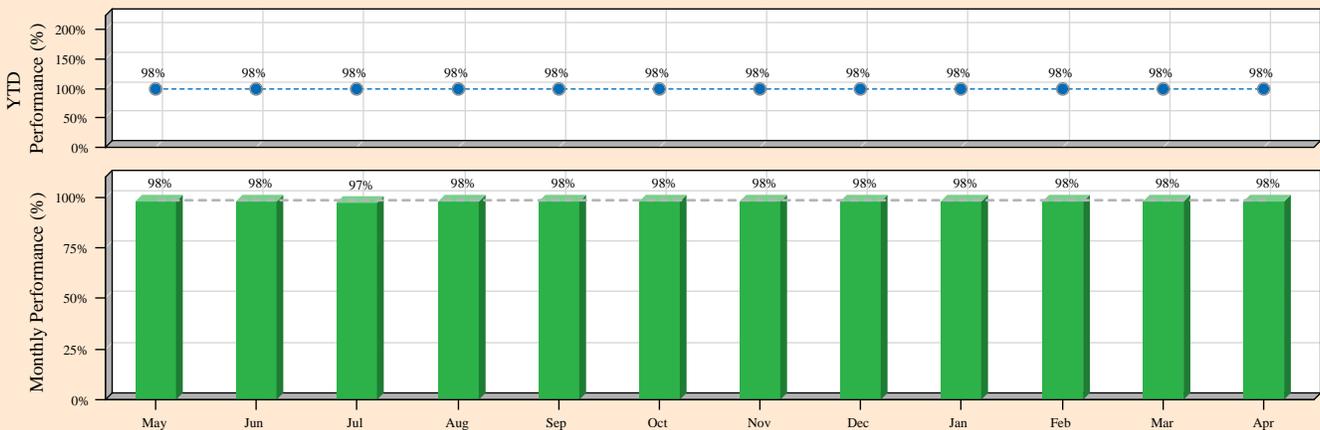


*In 1st Month of 3rd quarter, 1 lost time accident was reported*

**VENDOR PAYMENTS**

**VENDOR PAYMENT PERFORMANCE**  
Percentage of Invoices Paid within 30 days

- Monthly Performance (%)
- YTD Performance (%)
- - - Monthly Target - (97%)



*Monthly performance for April was above Budget by 1%*

**INTERPRETATION OF CHARTS:**

**FINANCIAL HIGHLIGHTS**

---

**Revenue, Expenditure, Capital Disbursement**

- Bulls eye shows the variance for YTD budget against actual for revenues, expenditures and capital disbursements
- Bar graph shows **total** for the fiscal year budgeted(grey)-revenues, expenditures and capital disbursements against YTD actual(blue)
- Horizontal line graph shows a YTD progress analysis as compared to the previous year

**Net Operating Cash**

- Bar graph shows monthly net operating cash provided/used
- Line graph denoted by (Δ) compares YTD actual against budget (O). This element is dynamically color coded\*

**Operating Revenues**

- Bar graph shows monthly operating revenues
- Line graph denoted by (Δ) compares YTD revenue against budget (O). This element is dynamically color coded\*

**Operating Expenses**

- Bar graph shows monthly operating expenses
- Line graph denoted by (Δ) compares YTD expenditure against budget (O). This element is dynamically color coded\*\*

**Capital Disbursements**

- Bar graph shows monthly capital disbursements
- Line graph denoted by (Δ) compares YTD disbursements against budget (O). This element is dynamically color coded\*\*

**Operating Cash Balance**

- Bar graph shows monthly average cash balance compared to the target of \$125 million; indicated by grey dotted line

**Delinquent Account Receivables**

- Bar graph shows monthly Receivables to Revenue ratio against target of 3%; indicated by grey dotted line. This element is dynamically color coded\*\*
- Line graph denoted by (Δ) shows delinquency in actual dollars

**Investment Cash Earnings**

- Bar graph shows monthly investment cash earnings
- Line graph denoted by (Δ) compares the YTD earnings against budget (O). This element is dynamically color coded\*

**Core Investments Yield**

- Bar graph shows the monthly investment yield compared to the monthly target (grey) benchmark as set by the US Treasury Bill. This element is dynamically color coded\*

**Short Term Investment Yield**

- Bar graph shows the monthly short term investment yield compared to the monthly short term target (grey) benchmark as set by the US Treasury Bill. This element is dynamically color coded\*

Dynamic Color Coding Legend

*	**
<p><b>Red</b> - when the actual is <b>lower</b> than 3% of budget or target</p> <p><b>Yellow</b> - when the actual is <b>within</b> 3% of budget or target</p> <p><b>Green</b> - when the actual is <b>equal to or higher</b> than budget or target</p>	<p><b>Red</b> - when the actual is <b>higher</b> than 3% of budget or target</p> <p><b>Yellow</b> - when the actual is <b>within</b> 3% of budget or target</p> <p><b>Green</b> - when the actual is <b>equal to or lower</b> than budget or target</p>

Symbols where the color code applies- (Δ, □)

A

**CUSTOMER CARE AND OPERATIONS HIGHLIGHTS**

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**Call Center Performance**

- Bar graph shows monthly percentage of calls answered within 40 seconds against target of 85%; indicated by grey dotted line. This element is dynamically color coded\*\*\*
- Line graph denoted by (O) shows the number of calls received by the call center every month

**Command Center Performance**

- Bar graph shows monthly percentage of calls answered within 40 seconds against target of 85%; indicated by grey dotted line. This element is dynamically color coded\*\*\*
- Line graph denoted by (O) shows the number of calls received by the command center every month

**First Call Resolution (FCR)**

- Bar graph shows monthly percentage of calls resolved on first contact against target of 75%; indicated by grey dotted line. This element is color dynamically coded\*\*\*

**Emergency Response Time**

- Bar graph shows the percentage of emergency calls responded to within 45 minutes against target of 90%; indicated by grey dotted line. This element is dynamically color coded\*\*\*
- Line graph denoted by (O) shows the total calls dispatched per month

**Fire Hydrants Out of Service (OOS)**

- Bar graph shows total hydrants not available for use against target of 91; indicated by grey dotted line. This element is dynamically color coded\*\*\*\*
- The bar graph is stacked (blue) to show hydrants that are inaccessible. Inaccessible hydrants are not measured against the target of 91

**Fire Hydrant Inspections and Maintenance**

- Bar graph shows the total number of fire hydrants repaired per month

**Fire Hydrant Replacements**

- Bar graph shows the total number of hydrants replaced per month against target of 21; indicated by grey dotted line. This element is dynamically color coded\*\*\*\*

**Total Applications Processed within Service Level Agreement (SLA)**

- Bar graph shows
  - the number of permits processed per month(dark blue)
  - the number of permits processed within SLA per month(light blue)
- Line graph denoted by (O) shows the percentage of permits processed vs. processed within SLA

Dynamic Color Coding Legend

***	****
Red- when the actual is <b>lower</b> than 5% of budget or target Yellow- when the actual is <b>within</b> 5% of budget or target Green- when the actual is <b>equal to or higher</b> than budget or target	Red- when the actual is <b>higher</b> than 5% of budget or target Yellow- when the actual is <b>within</b> 5% of budget or target Green- when the actual is <b>equal to or lower</b> than budget or target

Symbols where the color code applies- (Δ, □)

**LOW INCOME ASSISTANCE PROGRAM**

---

**SPLASH Contributions**

- Bar graph shows monthly SPLASH contributions
- Line graph denoted by (Δ) shows the YTD contributions against target (O). This element is color coded\*\*\*

**Customer Assistance Program (CAP)**

- Bar graph shows monthly CAP assistance
- Line graph denoted by (Δ) shows the YTD contributions against budget (O). This element is color coded\*\*\*

**OPERATIONAL HIGHLIGHTS**

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**Lead and Copper Rule (LCR) Compliance**

- Line graph denoted by (Δ, O) shows semi-annual LCR monitoring results against target of 15ppb; indicated by grey dotted line. This element is color coded\*\*\*\*

**Total Coliform Rule (TCR)**

- Line graph denoted by (Δ) shows total coliform positives against the EPA maximum contaminant level of 5%. This element is color coded\*\*\*\*

**Biosolids Production**

- Bar graph shows monthly average daily biosolids production

**Total Nitrogen**

- Line graph denoted by (Δ) shows monthly total nitrogen level against the current permit (dark grey) and 2015 permit (light grey) levels. This element is color coded\*\*\*\*

**Plant Effluent Flow**

- Line graph denoted by (Δ) shows monthly influent flow against the plant design average limit of 370MGD. This element is color coded\*\*\*\*

**Excess Flow**

- Line graph denoted by (Δ) shows monthly excess flow

**Water Main Leaks**

- Bar graph shows the water main leaks reported
- The bar graph is stacked(dark blue) to show the pending leaks carried over from the previous month if any; bar graph(light blue) shows new water main leaks reported for the given month
- Line graph denoted by (O) shows the number of main leaks repaired per month

**Water Valve Leaks**

- Bar graph shows the water valve leaks reported
- The bar graph is stacked(dark blue) to show the pending leaks carried over from the previous month if any; bar graph(light blue) shows new water valve leaks reported for the given month
- Line graph denoted by (O) shows the number of valve leaks repaired per month

Dynamic Color Coding Legend

***	****
Red- when the actual is <b>lower</b> than 5% of budget or target	Red- when the actual is <b>higher</b> than 5% of budget or target
Yellow- when the actual is <b>within</b> 5% of budget or target	Yellow- when the actual is <b>within</b> 5% of budget or target
Green- when the actual is <b>equal to or higher</b> than budget or target	Green- when the actual is <b>equal to or lower</b> than budget or target

Symbols where the color code applies- (Δ, □)

**Non Revenue Water**

- Bar graph shows the volume of water purchased(dark blue) and water sold(light blue) per quarter
- Line graph denoted by (Δ, O) shows the Infrastructure Leakage Index(ILI) for the current and previous year

**Sewer Main Backups**

- Bar graph shows the sewer main backups reported
- The bar graph is stacked(dark blue) to show the pending backups carried over from the previous month if any; bar graph(light blue) shows new sewer main backups reported for the given month
- Line graph denoted by (O) shows the number of main backups resolved per month

**Sewer Lateral Backups**

- Bar graph shows the sewer lateral backups reported
- The bar graph is stacked(dark blue) to show the pending backups carried over from the previous month if any; bar graph(light blue) shows new sewer laterals backups reported for the given month
- Line graph denoted by (O) shows the number of lateral backups resolved per month

**Combined Sewer dry weather Overflow (CSO) Events**

- Bar graph shows dry weather CSO events per month
- Line graph denoted by (O) shows the volume in Million Gallons(MG) per dry weather CSO event

**Open Positions**

- Bar graph (dark blue) shows open positions carried over from the previous month.
- Bar graph (light blue) shows new positions added in the given month.
- Bar graph (olive green) shows positions filled in the given month.
- Bar graph (orange) shows positions cancelled in the given month.
- Bar graph (light green) shows net remaining open positions at the end of the given month.

**Electricity Usage Summary**

- Bar graph shows total electricity consumption per month

**Electricity Usage by Service Area**

- Shows a monthly breakdown by service area of electricity usage
- Dark blue shows for Waste Water Treatment Service Area
- Light blue shows Water Pumping Service Area
- Brown shows Sewer Pumping Service Area

**Employee Lost Time Incidence Rate**

- Bar graph shows quarterly Employee Lost Time (LT) incidence rate as compared to the National average LT rate of 2.0; indicated by grey dotted line. Light blue represents the previous year, brown represents the year before previous and dark blue the current fiscal year.
- Scatter graph denoted by (Δ, O) shows the number of Lost Time accidents and comparison is also made between the current year and the previous years.

**Contractor Lost Time Incidence Rate**

- Bar graph shows quarterly Contractor Lost Time (LT) incidence rate. Light blue represents the previous year, brown represents the year before previous and dark blue the current fiscal year.
- Scatter graph denoted by (Δ, O) shows the number of Lost Time accidents and comparison is also made between the current year and the previous years.

Dynamic Color Coding Legend

***	****
<p><b>Red-</b> when the actual is <b>lower</b> than 5% of budget or target</p> <p><b>Yellow-</b> when the actual is <b>within</b> 5% of budget or target</p> <p><b>Green-</b> when the actual is <b>equal to or higher</b> than budget or target</p>	<p><b>Red-</b> when the actual is <b>higher</b> than 5% of budget or target</p> <p><b>Yellow-</b> when the actual is <b>within</b> 5% of budget or target</p> <p><b>Green-</b> when the actual is <b>equal to or lower</b> than budget or target</p>

Symbols where the color code applies- (Δ, □)

**Vendor Payment Performance**

- Bar graph shows monthly Vendor Payment Performance percentage against monthly target of 97%; indicated by grey dotted line. This element is dynamically color coded\*\*
- Line graph denoted by (O) shows the YTD vendor payment performance %.

Dynamic Color Coding Legend

***	****
<p><b>Red-</b> when the actual is <b>lower</b> than 5% of budget or target</p> <p><b>Yellow-</b> when the actual is <b>within</b> 5% of budget or target</p> <p><b>Green-</b> when the actual is <b>equal to or higher</b> than budget or target</p>	<p><b>Red-</b> when the actual is <b>higher</b> than 5% of budget or target</p> <p><b>Yellow-</b> when the actual is <b>within</b> 5% of budget or target</p> <p><b>Green-</b> when the actual is <b>equal to or lower</b> than budget or target</p>

Symbols where the color code applies- (Δ, □)



**Consent Agenda**

**Summary of Contracts**

**232<sup>nd</sup> Meeting of the DC Water Board of Directors**

**Thursday, June 1, 2017**

**Joint Use Contracts**

- 1. Resolution No. 17-37, Supplemental Agreement No, 02 of Contract No. DCFA-445, O'Brien and Gere, LLC.** The purpose of the supplemental agreement is to provide extended engineering services during construction due to unanticipated construction contractor delays. The supplemental agreement amount is \$995,829. (Recommended by Environmental Quality and Operations Committee 05/18/17)
- 2. Resolution No. 17-38, Contract No. 17-PR-CFO-20A, Alliant Insurance Services, Inc.** The purpose of the contract is to provide for the payment of insurance premiums based upon the marketing of DC Water's property and casualty insurance program. The contract amount is not-to-exceed \$2,201,000. (Recommended by Finance and Budget Committee 05/25/17)
- 3. Resolution No. 17-39, Contract No. WAS-09-014-AA-GA, Aon Risk Solutions** The purpose of the premium adjustment contract is to provide payment of additional insurance premiums based upon the Insurance Carrier's (ace/chubb) recent payroll audit. The contract amount is \$1,404,802. (Recommended by Finance and Budget Committee 05/18/17)

**Presented and Adopted: June 1, 2017**

**SUBJECT: Approval to Execute Supplemental Agreement No. 02 of  
Contract No. DCFA-445, O'Brien and Gere, LLC**

**#17-37  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on June 1, 2017 upon consideration of a joint use matter, decided by a vote of \_\_\_() in favor and \_\_\_() opposed to execute Supplemental Agreement No. 02 of Contract No. DCFA-445, O'Brien and Gere, LLC.

**Be it resolved that:**

The Board of Directors hereby authorizes the General Manager to execute Supplemental Agreement No. 02 of Contract No. DCFA-445, O'Brien and Gere, LLC. The purpose of the supplemental agreement is to provide extended engineering services during construction due to unanticipated construction contractor delays. The supplemental agreement amount is \$995,829.

This Resolution is effective immediately.

\_\_\_\_\_  
Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

**ACTION REQUESTED**

**ENGINEERING SERVICES SUPPLEMENTAL AGREEMENT:**

**Poplar Point Pumping Station Replacement  
(Joint Use)**

Approval to execute Supplemental Agreement No. 02 for \$995,829. The modification exceeds the General Manager's approval authority.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b>	<b>SUBS:</b>	<b>PARTICIPATION:</b>
O'Brien and Gere, LLC 4201 Mitchellville Road Bowie, MD 20716	Bryant Associates, Inc. Hyattsville, MD	MBE 28.0%
	Phoenix Engineering, Inc. Parkton, MD	WBE 4.0%
<u>Headquarters</u> Syracuse, NY 13221	COWI (formerly Jenny Engineering) Springfield, NJ	10.0%

**DESCRIPTION AND PURPOSE**

Original Contract Value:	\$3,200,000.00	
Value of this Supplemental Agreement:	\$ 995,829.00	
Cumulative SA Value, including this SA:	\$2,552,336.00	
Current Contract Value, including this SA:	\$5,752,336.00	
Original Contract Time	1750 Days	(4 Years, 10 Months)
Time Extension, this SA:	232 Days	
Total SA Time Extension:	597 Days	(1 Year, 8 Months)
Contract Start Date:	01-26-2012	
Contract Completion Date:	06-30-2018	

**Purpose of the Contract:**

Provide engineering design and related services for a new pumping station to replace the existing deteriorating Poplar Point Pumping Station that has been in operation since 1915. The work also includes replacement of the existing Barry Road Sewer crossing I-295 which has failed.

This work is required to comply with a Consent Decree and DC Water's NPDES Permit.

**Original Contract Scope:**

- Provide civil, architectural, mechanical process, HVAC, instrumentation, and electrical design services, and support activities, and preparation of contract documents for Poplar Point Pumping Station Replacement, approximately 1,000 lineal feet of trenchless 54-inch sewer and approximately 400 lineal feet of sewer from Barry Road to the pumping station crossing I-295.

**Current Supplemental Agreement Scope:**

- Provide extended engineering services during construction due to unanticipated construction contractor construction delays. These delays have required additional reviews of shop drawings and requests for information (RFIs), differing site conditions claims analyses, and other engineering analyses which were not included in the contract.

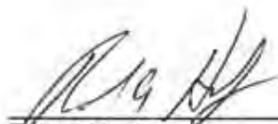
**Future Supplemental Agreement Scope:**

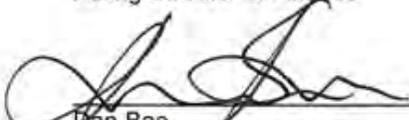
- No future supplemental agreement is anticipated at this time.

PROCUREMENT INFORMATION			
<b>Contract Type:</b>	Lump Sum/ Cost Plus Fixed Fee	<b>Award Based On:</b>	Highest Ranking Score
<b>Commodity:</b>	Engineering Services	<b>Contract Number:</b>	DCFA-445
<b>Contractor Market:</b>	Open Market		

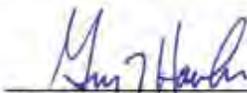
BUDGET INFORMATION			
<b>Funding:</b>	Capital	<b>Department:</b>	DC Clean Rivers Project
<b>Service Area:</b>	Combined Sewer Overflow	<b>Department Head:</b>	Carlton M. Ray
<b>Project:</b>	CY		

ESTIMATED USER SHARE INFORMATION		
User	Share %	Dollar Amount
District of Columbia	90.00%	\$896,246.10
Federal Funds	0.00%	\$
Washington Suburban Sanitary Commission	10.00%	\$ 99,582.90
Fairfax County	0.00%	\$
Loudoun County & Potomac Interceptor	0.00%	\$
<b>Total Estimated Dollar Amount</b>	<b>100.00%</b>	<b>\$995,829.00</b>

  
 Robert Hunt  
 Acting Director of Finance  
 Date: 5/11/17

  
 Dan Bae  
 Director of Procurement  
 Date: 5/11/17

  
 Leopard R. Benson  
 Chief Engineer  
 Date: 5-10-17

  
 George Hawkins  
 General Manager  
 Date: 5-25-17

**Presented and Adopted: June 1, 2017**

**SUBJECT: Approval to Execute Contract No. 17-PR-CFO-20A, Alliant Insurance Services, Inc.**

**#17-38  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on June 1, 2017 upon consideration of a joint use matter, decided by a vote of \_\_\_() in favor and \_\_\_() opposed to execute Contract No. 17-PR-CFO-20A, Alliant Insurance Services, Inc.

**Be it resolved that:**

The Board of Directors hereby authorizes the General Manager to execute Contract No. 17-PR-CFO-20A, Alliant Insurance Services, Inc. The purpose of the contract premium adjustment is to provide for the payment of insurance premiums based upon the marketing of DC Water's property and casualty insurance program. The contract premium adjustment amount is not-to-exceed \$2,301,000.

This Resolution is effective immediately.

\_\_\_\_\_  
Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

**ACTION REQUESTED**

**GOODS AND SERVICES CONTRACT MODIFICATION**

**Property and Casualty Insurance Premiums**

**(Joint Use - Indirect)**

Approval to pay property and excess liability insurance premiums through DC Water’s broker of record, Alliant Insurance Services, Inc. in the amount not to exceed \$2, 301,000.00.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b> Alliant Insurance Services, Inc. 100 Pine Street, 11 <sup>th</sup> Floor San Francisco, CA 94111	<b>SUBS:</b> To be determined	<b>PARTICIPATION:</b> N/A
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**DESCRIPTION AND PURPOSE**

Original Contract Value: \$116,920.00  
 Original Contract Dates: 05-01-2017 – 04-30-2018  
 Premium Value: \$2,301,000.00  
 Premium Dates: 07-1-2017 – 06-30-2018

**Purpose of the Premium Adjustment:**

To provide for the payment of insurance premiums based upon the marketing of DC Water’s property and casualty insurance program. This action represents the best value from the three (3) current brokers.

**Original Contract Scope:**

The purpose of this contract was to provide a pool of insurance brokers to market DC Water’s property and casualty insurance program. Three (3) brokers were selected through a competitive proposal process to market the DC Water program.

**Spending Previous Year:**

Cumulative Contract Value: 05-01-2017 – 04-30-2018: \$116,920.00  
 Cumulative Contract Spending: 05-01-2017 – 04-30-2018: \$0.00  
 Property Premium \$1,051,000.00  
 Excess Premium \$1,250,000.00

**Contractor’s Past Performance:**

According to the COTR, Alliant was one of the three (3) prior brokerage firms whose service level; timeliness of service delivery; conformance to DC Water’s policies, procedures and contract terms; and invoicing all meet expectations.

No LBE/LSBE participation.

**PROCUREMENT INFORMATION**

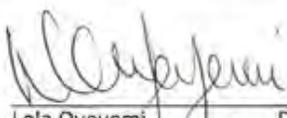
<b>Contract Type:</b>	Firm Fixed	<b>Award Based On:</b>	Highest Rated Firm
<b>Commodity:</b>	Insurance Services	<b>Contract Number:</b>	17-PR-CFO-20A
<b>Contractor Market:</b>	Open Market with Preference Points for LBE and LSBE Participation		

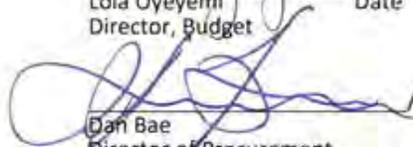
**BUDGET INFORMATION**

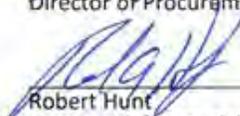
<b>Funding:</b>	Operating	<b>Department:</b>	Risk Management
<b>Service Area:</b>	DC Water Wide	<b>Acting Department Head:</b>	Robert Hunt

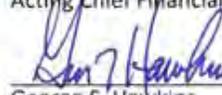
**ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	83.65%	\$1,924,786.00
Washington Suburban Sanitary Commission	12.07%	\$277,730.00
Fairfax County	2.84%	\$65,349.00
Loudoun County	1.25%	\$28763.00
Other (PI)	0.19%	\$4,372.00
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100.00%</b>	<b>\$2,301,000.00</b>

 , 05/18/17  
 Lola Oyeyemi Date  
 Director, Budget

 , 5/18/17  
 Dan Bae Date  
 Director of Procurement

 , 5/12/17  
 Robert Hunt Date  
 Acting Chief Financial Officer

 , 5/25/17  
 George S. Hawkins Date  
 General Manager

**Presented and Adopted: June 1, 2017**

**SUBJECT: Approval to Execute Contract No. WAS-09-014-AA-GA,  
Aon Risk Solutions**

**#17-39  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on June 1, 2017 upon consideration of a joint use matter, decided by a vote of \_\_() in favor and \_\_() opposed to execute Contract No. WAS-09-014-AA-GA, Aon Risk Solutions.

**Be it resolved that:**

The Board of Directors hereby authorizes the General Manager to execute Contract No. WAS-09-014-AA-GA, Aon Risk Solutions. The purpose of the contract is to provide for the payment of additional insurance premiums based upon the Insurance Carrier's (Ace/Chubb) recent payroll audit. The contract premium adjustment amount is \$1,404,802.

This Resolution is effective immediately.

\_\_\_\_\_  
Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

**ACTION REQUESTED**

**GOODS AND SERVICES CONTRACT MODIFICATION**

**Insurance Premium Audit Adjustment**

**(Joint Use)**

Approval to pay an audit adjustment insurance premium for the Rolling Owner-Controlled Insurance Program (ROCIP II) through DC Water's broker of record Aon Risk Solutions in the amount of \$1,404,802.00.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b> Aon Risk Solutions 1120 20 <sup>th</sup> St., NW, Suite 600 Washington, DC 20036	<b>SUBS:</b> Ace American Insurance Company (Chubb) 436 Walnut Street Philadelphia, PA 19106-3703	<b>PARTICIPATION:</b> N/A
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**DESCRIPTION AND PURPOSE**

<b>Original Contract Value:</b>	\$4,638,477.00
<b>Original Contract Dates:</b>	10-15-2009 – 10-15-2014
<b>Modification Value:</b>	\$0.00
<b>Modification Dates:</b>	10-16-2014 – 10-15-2015
<b>This Premium Adjustment Value:</b>	<b>\$1,404,802.00</b>
<b>This Premium Adjustment Dates:</b>	<b>10-15-2009 – 06-08-2015</b>

**Purpose of the Premium Adjustment:**

To provide for the payment of additional insurance premiums based upon the Insurance Carrier's (Ace/Chubb) recent payroll audit. Original program costs are based on the estimated payroll of \$151,438,452.00. The actual audited payroll is \$213,736,521.00. This action represents the reconciliation pursuant to the Authority's contractual agreement. The amount has been verified by the broker of record.

**Original Contract Scope:**

The purpose of this contract was to procure insurance coverage for construction contractors on DC Water capital project identified in ROCIP II. This methodology provided greater insurance coverage on DC Water projects, increased the number of eligible firms that could bid on DC Water contracts and cost savings.

**Spending Previous Year:**

Cumulative Contract Value:	10-15-2009 – 10-15-2015: \$4,638,477.00
Cumulative Contract Spending:	10-15-2009 – 10-15-2015: \$4,638,477.00

**Contractor's Past Performance:**

According to the COTR, the Contractor's service level; timeliness of service delivery; conformance to DC Water's policies, procedures and contract terms; and invoicing all meet expectations.

No LBE/LSBE participation.

**PROCUREMENT INFORMATION**

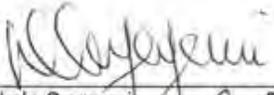
<b>Contract Type:</b>	Firm Fixed	<b>Award Based On:</b>	Competitive Proposals
<b>Commodity:</b>	Insurance Services	<b>Contract Number:</b>	WAS-09-014-AA-GA
<b>Contractor Market:</b>	Open Market with Preference Points for LBE and LSBE Participation		

**BUDGET INFORMATION**

<b>Funding:</b>	Various Capital Projects	<b>Department:</b>	Risk Management
<b>Service Area:</b>	DC Water Wide	<b>Acting Department Head:</b>	Robert Hunt

**ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	41.22%	\$579,059.00
Washington Suburban Sanitary Commission	45.84%	\$643,961.00
Fairfax County	8.38%	\$117,723.00
Loudoun County	3.73%	\$52,399.00
Other (PI)	0.83%	\$11,660.00
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100.00%</b>	<b>\$1,404,802.00</b>

 , 05/18/17  
 Lola Oyeyemi Date  
 Director, Budget

 5/18/17  
 Dan Bae Date  
 Director of Procurement

 5/18/17  
 Robert Hunt Date  
 Acting Chief Financial Officer

 5/25/17  
 George S. Hawkins Date  
 General Manager

**Presented and Adopted: June 1, 2017**

**Subject: To state the “Sense of the Board” regarding negotiations between the Authority, the District of Columbia, and FC Ballpark, LLC concerning: 1) funding for and relocation of Fleet Maintenance and Sewer Services operations from portions of the Main and O Street Campus; 2) securing fee simple ownership of O Street, the Main and O Street campus, and property on Ames Place in the District in the District of Columbia; and 3) giving direction to the General Manager to negotiate and execute final documents that will protect the operational and fiscal interests of the Authority and its customers, and also enable commencement of relocation activities at the earliest practicable time.**

**#17-40  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors (the “Board”) of the District of Columbia Water and Sewer Authority (“The Authority”), at its meeting on June 1, 2017, upon consideration of a joint-use matter decided by a vote of \_\_(\_) in favor and \_\_(\_) opposed, to take the following action to express the sense of the Board regarding: 1) relocation of Fleet Maintenance and Sewer Services operations from portions of the Main and O Street Campus; 2) securing fee simple ownership of O Street, the Main and O Street campus, and property on Ames Place in the District of Columbia; and 3) giving direction to the General Manager to negotiate and execute final documents that will protect the operational and fiscal interests of the Authority and its customers, and also enable commencement of relocation activities at the earliest practicable time.

**WHEREAS**, the Main Pumping Station was constructed on property north of the Anacostia River (formerly known as the Eastern Branch of the Potomac River), completed the first full year of sewage pumping operations in Fiscal Year 1908 (ending June 30, 1908), and has been in service since before that date; and

**WHEREAS**, the O Street Pumping Station was constructed on land west and south of the Main Pumping Station, began operations in late 1964 or early 1965 and has been in service since that time; and

**WHEREAS**, the land upon which the Main Pumping Station and the O Street Pumping stations are located has been under the control of the District of Columbia since commencement of operations at each facility; and

**WHEREAS**, the District of Columbia owns, and the Authority has possessory interests in real property constituting portions of Lot 805 in Square 744S and Lot 801 in Square 744SS, located in Southeast Washington, D.C., consisting of approximately 235,130 square feet of land bounded by N Place, SE on the north, First Street, SE on the west, Diamond Teague Park on the south; and

**WHEREAS**, on the above described property, the Authority operates the Main Pumping Station and the O Street Pumping Station, conducts Fleet Maintenance and Sewer Services operations, and maintains critical subsurface infrastructure that conveys wastewater and stormwater to the Blue Plains Wastewater Treatment Plant (**Exhibit A**); and

**WHEREAS**, the property upon which the Authority conducts these operations is known as the **Main and O Street Campus (Exhibit B)**; and

**WHEREAS**, in order to enable development along the Anacostia River proximate to the Southeast Federal Center and the Main and O Street Campus, the District of Columbia ("**District**") in a Land Disposition Agreement, effective March 24, 2015 ("**LDA**") (Council Resolution R20-0773, dated December 17, 2014) agreed to convey fee simple and leasehold interests in portions of the Main and O Street Campus to FC Ballpark LLC, ("**Forest City**"); and

**WHEREAS**, in Order No. 13-05, dated February 7, 2014, the Zoning Commission for the District of Columbia ("**Zoning Commission**") approved a Planned Unit Development ("**PUD**") for construction of new buildings and related infrastructure on portions of the Main and O Street Campus on land identified as Parcels F1, G1, G2 and G3, and on other land within the PUD reserved for use as new, private streets, among them, land reserved for a new private street known as "O Street" ("**Development Property**"); and

**WHEREAS**, the LDA anticipates that the Authority will relocate Sewer Services and Fleet Maintenance personnel, vehicles, equipment and operations from the Main and O Street Campus to other locations in order to enable development on Parcels F1, G1, G2 and G3 of the Development Property; and

**WHEREAS**, the Authority is not a party to the LDA, but has worked with the District and Forest City to support the development described in the LDA in a manner that also protects the ability of the Authority to conduct efficient operations and maintain critical facilities and infrastructure on the Main and O Street Campus after improvements to the Development Property have been made ("**Main and O Street Campus After Development**") (**Exhibit C**); and

**WHEREAS**, on May 27, 2015, the Authority purchased property on Walker Mill Road in Prince George's County, Maryland that will be the new location from which Fleet Maintenance operations will be conducted; and

**WHEREAS**, representatives of the District have informed representatives of the Authority that on May 17, 2017, the District purchased property on Ames Place in the District of Columbia ("**Ames Property**") from the Washington Metropolitan Area Transit Authority ("**WMATA**") subject to a leaseback agreement that will allow WMATA to use a portion of the Ames Property to park public transportation vehicles for a period not-to-exceed three years; and

**WHEREAS**, during the WMATA leaseback period, the District will lease to the Authority, the remaining portion of the Ames Property that is not subject to the WMATA leaseback to enable the Authority to construct Phase 1 of replacement facilities that will be needed to conduct Sewer Services operations from the Ames Property; and

**WHEREAS**, after the WMATA leaseback period expires, the District will convey the entire Ames Property to the Authority in fee simple, and thereafter, the Authority will construct the balance of the facilities that will be needed to conduct Sewer Services operations from the Ames Property; and

**WHEREAS**, the Authority, District, and Forest City representatives have negotiated terms for the fee simple transfer of the private street known as O Street, which extends from its intersection with 1<sup>st</sup> Street S.E. through the intersection with the proposed private 1 ½ Street to the western boundary of the Main and O Street Campus After Development; and

**WHEREAS**, on or about March 11, 2016, the Authority secured PUD approval from the Zoning Commission to construct a new headquarters building on the Main and O Street Campus which will span over the O Street Pumping Station; and

**WHEREAS**, Forest City plans to construct a movie theater and a parking garage on the F1 Parcel in the first phase of improvements to the Development Property ("**F1 Parcel Building**"); and

**WHEREAS**, Forest City and Authority representatives have negotiated to secure the Authority's use of property managed by Forest City known as Parcel I, which is not part of Development Property, for parking service and personal vehicles that will be displaced by Forest City's development of the F1 Parcel; and

**WHEREAS**, Authority, District and Forest City representatives have negotiated the terms under which Forest City will be provided loading and service access for the F1 Parcel Building across the Main and O Street Campus After Development and have negotiated the terms of setback, façade maintenance and crane swing easements for the benefit of the Parcel F1 Building; and

**WHEREAS**, Authority, and District representatives have negotiated the form of Relinquishment of Rights documents that will confirm that the Authority has vacated portions of the Development Property; and

**WHEREAS**, Authority, District, and Forest City representatives have negotiated the schedule pursuant to which the Authority will relocate operations from, and vacate the Development Property; and

**WHEREAS**, Authority and District representatives have negotiated the total amount the District will transfer to the Authority to fund expenses (“**Relocation Funds**”) incurred by the Authority to relocate operations from, vacate the Development Property, and construct replacement facilities on the properties to which Fleet and Sewer Services operations will be relocated; and

**WHEREAS**, Authority and District representatives have negotiated the terms of a Relocation Funding Agreement in which the District will deposit Relocation Funds in escrow and the Escrow Agent will disburse funds to the Authority in advance of the Authority’s obligation to undertake any relocation or replacement facility construction; and

**WHEREAS**, District representatives will seek authorization from the Council of the District of Columbia to apply the Relocation Funds to the Authority relocation and replacement facility construction activities that have been negotiated among the parties; and

**WHEREAS**, Authority, District and Forest City representatives have negotiated reasonably aggressive relocation project milestones designed to provide an opportunity for the Development Property to be made available to Forest City in advance of the schedule set forth in the LDA; and

**WHEREAS**, on January 12, 2017 Forest City and the Authority entered a letter agreement that expresses the parties’ understandings and assurances related to the configuration of the Main and O Street Campus after all improvements have been made to the Development Property (“**Campus Boundary Agreement**”), including, among other limitations, restrictions of vehicular access by Forest City to the portions of Canal Street between N Place S.E., and N Street S.E.; and

**WHEREAS**, construction of the F1 Parcel Building will impair access to the dedicated electrical service that serves the Main and O Street Campus, and representatives of Forest City have committed to fund relocation of that dedicated electrical service and have negotiated a commitment to reimburse the Authority for certain design costs associated with relocation of that service; and

**WHEREAS**, the Parties are negotiating the terms of an Omnibus Agreement that will memorialize the commitments, agreements, coordination and schedule required to effect the transactions described in the LDA; and

**WHEREAS**, the District has committed to convey O Street and the Main and O Street Campus After Development, to the Authority and are negotiating the timing of those transfers; and

**WHEREAS**, District and Forest City representatives are negotiating amendments to the LDA that are now necessary because of commitments made in the Omnibus Agreement; and

**WHEREAS**, Authority and Forest City representatives are negotiating agreements that will assign Development Rights attributable to O Street and allocate responsibilities to maintain the O Street roadway and O Street streetscape improvements that may be authorized in future PUD approvals; and

**WHEREAS**, the current commitment among the negotiating parties is to complete signature ready documents on or before June 9, 2017; and

**WHEREAS**, specific authorizations for design, construction, relocation and related actions, activities and procurements of the Authority that may be required by the final versions of the agreements described in this Resolution will occur in the future; and

**WHEREAS**, if authorization by the Board is required to undertake any particular design or construction contract, or agreement, activity or procurement related to the subject matter of any of the agreements described herein, such Board action will be taken pursuant to the procedures and protocols that are normally applicable to actions taken by the Board, including consideration by and recommendation from the appropriate Board Committee(s); and

**WHEREAS**, on May 18, 2017, in Executive Session, the Environmental Quality and Operations Committee was briefed on the state of negotiations, and after consideration of the issues presented, endorsed the efforts of the General Manager to resolve issues raised in the negotiations; and

**WHEREAS**, the Environmental Quality and Operations Committee recommended that the full Board of Directors consider a "Sense of the Board" resolution to express support for the progress made in the negotiations to date and to urge that priority be given to finalizing negotiations and entering agreements that will protect the operational and fiscal interests of the Authority, and which will also enable commencement of relocation activities within a reasonable period of time.

**WHEREAS**, on May 25, 2017, in Executive Session, the Finance and Budget Committee was briefed on the state of negotiations, and after consideration of the issues presented, also expressed support for the efforts of the General Manager to resolve issues raised in the negotiations; and

**WHEREAS**, the Finance and Budget Committee also recommended that the full Board of Directors consider a "Sense of the Board" resolution to express support for the progress made in the negotiations to date and to urge that priority be given to finalizing negotiations and entering agreements that will protect the operational and fiscal interests of the Authority and which will also enable commencement of relocation activities within a reasonable period of time.

**NOW THEREFORE BE IT RESOLVED THAT:**

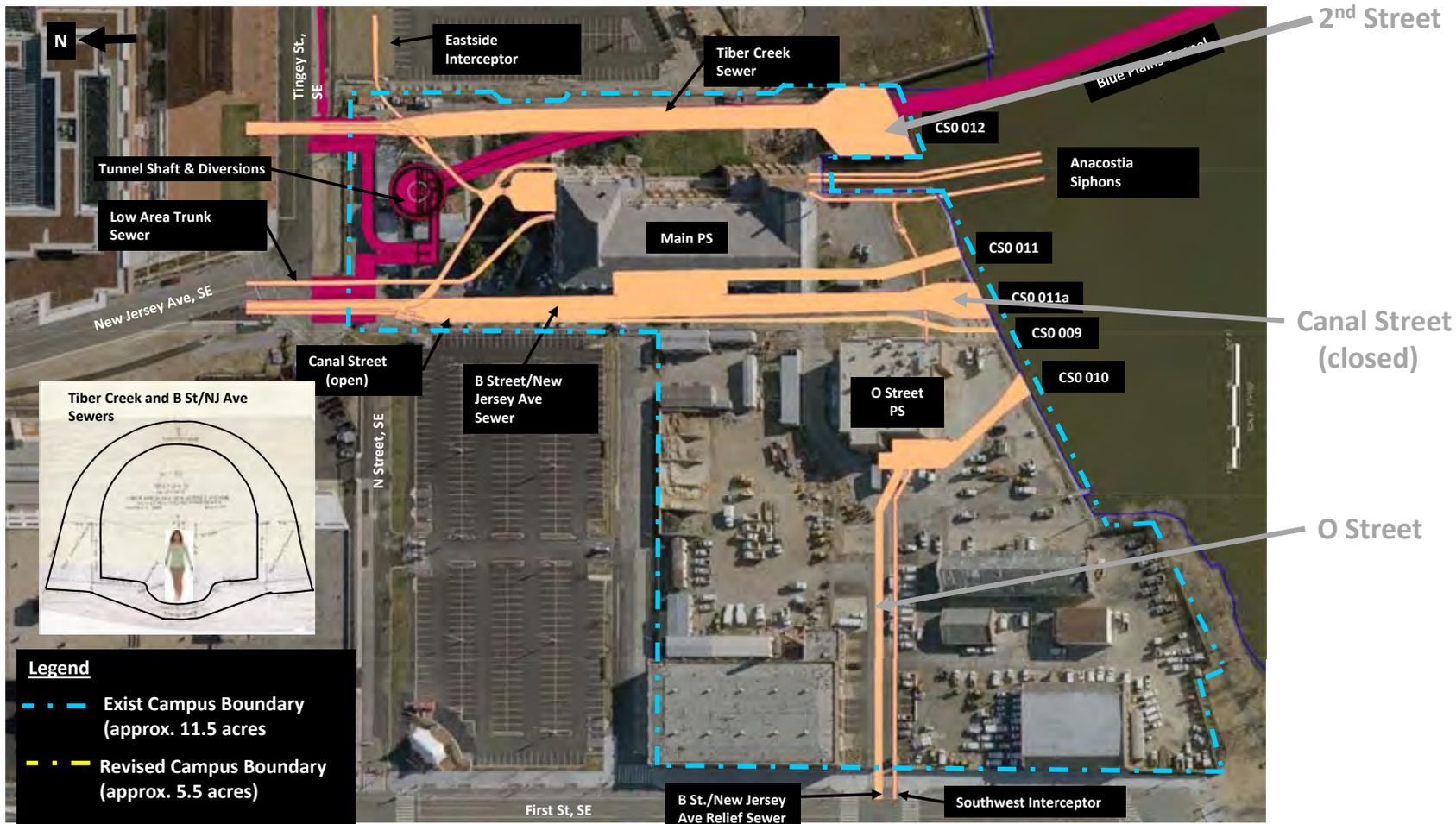
1. The Board finds that, to date, the positions taken on behalf of the Authority while negotiating the agreements described in this Resolution are consistent with protection of the operational and fiscal interests of the Authority.
2. The Board finds that it is appropriate that the General Manager deploy the resources necessary to finalize the agreements described in this Resolution and significant collateral agreements by the mid-June, 2017 timeframe or as soon thereafter as practicable, provided the counter parties are similarly motivated.
3. The Board affirms that the General Manager has broad discretion to continue to negotiate final terms of the agreements, so as to enable commencement of relocation activities as soon as practicable, provided that such final terms also protect the operational and fiscal interests of the Authority, its customers and the participating jurisdictions.
4. The Board finds that fee simple ownership of the Ames Property, O Street and the Main and O Campus After Development are priorities that must be secured by the terms of the final agreements.
5. The Board expects that if authorization by the Board is required to undertake any particular design or construction contract, agreement, activity or procurement related to the subject matter of any of the agreements described herein, such Board action will be taken pursuant to the procedures and protocols that are normally applicable to actions taken by the Board, including, but not limited to consideration by and recommendation from the appropriate Board Committee(s)

This resolution is effective immediately.

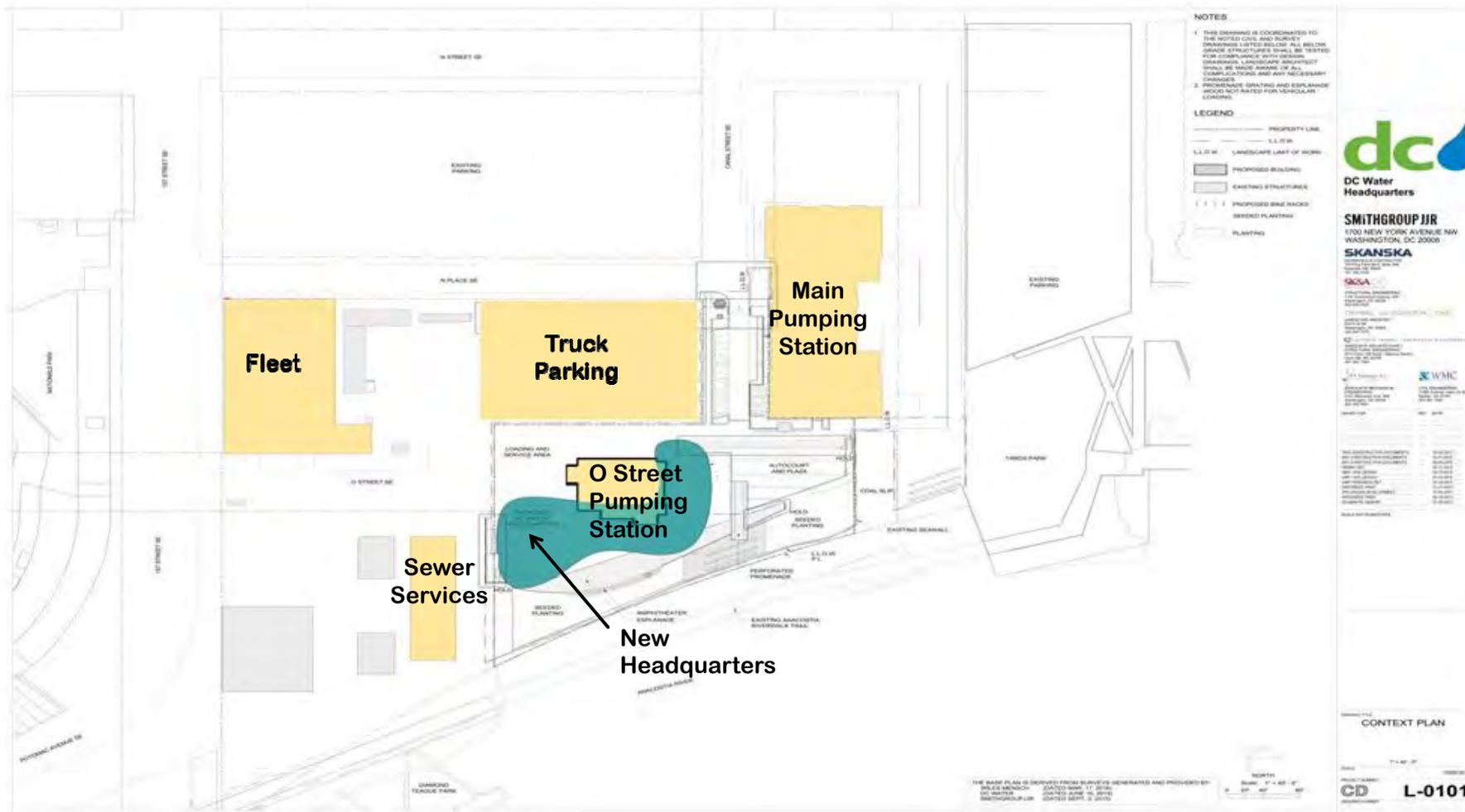
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Secretary to the Board

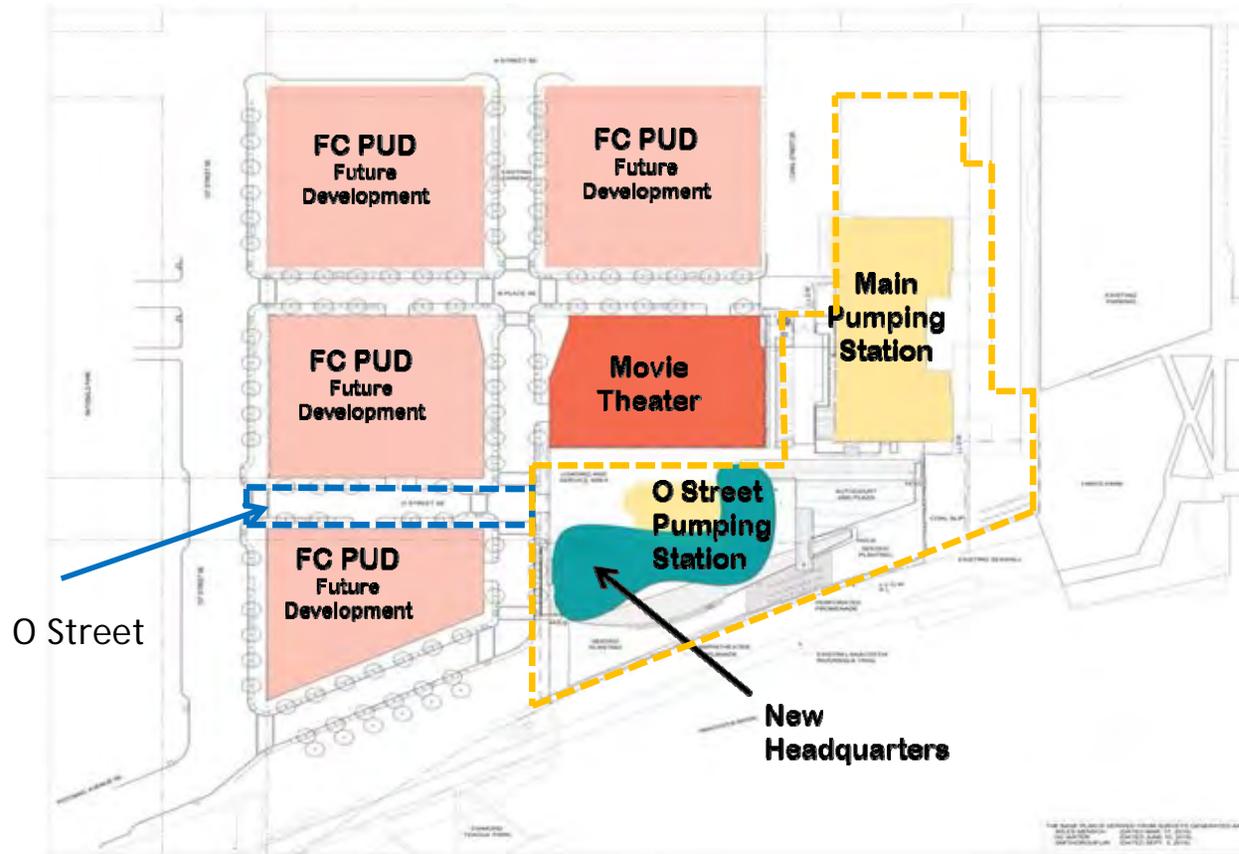
## Exhibit A - Critical Infrastructure



## Exhibit B - Current Main and O Street Campus



## Exhibit C - Main and O Campus After Development



**Presented and Adopted: June 1, 2017**

**Subject: Approval of Proposed Amendments for the Water System Replacement Fee, Customer Classifications and Definitions**

**#17-41  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors (“the Board”) of the District of Columbia Water and Sewer Authority (“the Authority”) at its meeting on June 1, 2017, decided, in a non-joint use matter, by a vote of ( ) in favor and ( ) opposed, to approve the following action with respect to the approval of the proposed amendments to the Water System Replacement Fee, Customer Classifications and Definitions.

**WHEREAS**, the Board has adopted a revised rate setting policy that requires rates, charges and fees, together with other revenue sources, yield reliable and predictable revenue sufficient to pay for the Authority’s projected operating and capital expenses; and

**WHEREAS**, the Board has adopted financial policies that mandate maintenance of senior debt coverage and cash reserves; and

**WHEREAS**, on September 3, 2015, the Board adopted a new Water System Replacement Fee (“WSRF”) charged to residential, multi-family and non-residential customers to recover the annual cost of renewing and replacing 1% (one percent) of aging water infrastructure; and

**WHEREAS**, the WSRF adopted by the Board includes a provision that sets the amount of the monthly WSRF charged to a Residential customer whose premises is served by a meter larger than 1”, at (\$9.67 per month or \$116.04 per year); and

**WHEREAS**, on September 11, 2015, the Authority published the Notice of Final Rulemaking in the *D.C. Register* (DCR) at 62 DCR 12422 for the WSRF effective October 1, 2015, and began collection of the WSRF on October 1, 2015; and

**WHEREAS**, after implementation, the Authority received inquiries from residents and representatives of the Chain Bridge Road Corporation, a cooperative housing association, (Chain Bridge) seeking clarifications regarding its customer classification, meter size and billing frequency of the WSRF; and

**WHEREAS**, on April 5, 2016, Chain Bridge wrote to the Advisory Neighborhood Commission (ANC) 3D seeking assistance in addressing the amount of the WSRF charged their community of 15 single family homes; and

**WHEREAS**, Chain Bridge suggested that because of how the WSRF regulations were written, each homeowner in Chain Bridge was responsible for approximately \$1,033 per household per year in WSRF charges because the customer, Chain Bridge, was responsible for \$15,500 per year in WSRF charges since their property is serviced by a single private water line with a combined 6 inch meter, that supplies both domestic water and a private fire hydrant; and

**WHEREAS**, during the public comment period held prior to adoption the WSRF, the Authority published two proposed rulemakings (on February 15, 2015 at 62 DCR 2367 and on July 17, 2015 at 62 DCR 9798), held 8 Town Hall Meetings from April 1, 2015, through April 30, 2015, and held a Public Hearing even though the WSRF is not subject to the public hearing requirements of 21 DCMR Chapter 40; and

**WHEREAS**, during the comment period, the Authority did not receive any comments that the proposed WSRF would adversely affect Chain Bridge or individual homeowners in that community; and

**WHEREAS**, upon receipt of the letter from the ANC, the Authority's Director of Customer Service, in a letter dated April 20, 2016, informed Chain Bridge that the amount of the WSRF charged is based on the meter size, which in the case of Chain Bridge is a combined 6" water meter that serves both the fire suppression and domestic use, and the size of the connection to the Chain Bridge development is necessary to supply the required pressure and water delivery capacity for its private fire hydrant; and

**WHEREAS**, the April 20, 2016 letter also advised Chain Bridge to consider evaluating the properties water infrastructure with the DC Fire Department, District Department of Consumer and Regulatory Affairs and its fire insurance provider to determine whether it was possible or practicable to reduce the water capacity requirements and thereby reduce the size of the service line; or alternatively to consider separating the water service lines from the fire service line to separate the domestic use line, and thereby reduce the meter size to 3" or 4", thereby reducing the WSRF to \$232 or \$561 per month; and

**WHEREAS**, on May 15, 2016, Chain Bridge wrote to Ms. Ellen Boardman, Governance Committee Chairperson, to point out that either eliminating the fire hydrant or making extensive modifications to the Chain Bridge water supply system would be cost prohibitive, and that because the Authority staff do not have the authority to vary from the current rate schedule, it was necessary to request assistance from the Board to reduce Chain Bridge's payment obligation to a level identical to that paid by the largest single family homes in the District of Columbia (\$9.67 per month per house); and

**WHEREAS**, on August 23, 2016, counsel for Chain Bridge wrote to Chairman Matthew Brown, requesting that the Board consider action at its next meeting to: (i) waive the

method used by the Authority to calculate the WSRF for Chain Bridge because of “unique circumstances”; and (ii) impose a payment obligation that resulted in a fee for Chain Bridge equivalent to the amount assessed to single family homes in D.C., including a credit for the higher fees paid after beginning of the fiscal year; and

**WHEREAS**, Chain Bridge also requested that charges at the higher rate be suspended retroactively from October 1, 2015, until such time as the Authority could complete a study of its request, and Chain Bridge had a “reasonable opportunity to review and prepare a response to any study undertaken;” and

**WHEREAS**, on October 20, 2016, the Water Quality and Water Services (WQWS) Committee met in executive session to discuss the legal issues, rationale and path forward to address the concerns raised by counsel for Chain Bridge; and

**WHEREAS**, in a letter dated November 9, 2016, the General Counsel provided Chain Bridge counsel an update on the direction given Authority staff to study of the impact of the WSRF on Chain Bridge and other similarly situated properties in the District of Columbia, including an analysis of the benefits and burdens common to properties in situations similar to Chain Bridge, and to make recommendation regarding the realignment of existing or perceived inequalities resulting from application of WSRF regulations; and

**WHEREAS**, on March 16, 2017, the Environmental Quality and Operations (EQ&O) Committee met to discuss the findings of the WSRF study commissioned by staff; and

**WHEREAS**, on March 16, 2017, the staff reported that it had identified the Southern Homes and Gardens Cooperative as the only other property in the District of Columbia situated similarly as Chain Bridge; and

**WHEREAS**, the Southern Homes and Gardens Cooperative is comprised of 92 single-family townhomes with two private fire hydrants and is served by a 8”x4”x1” combine fire and domestic service; and

**WHEREAS**, staff recommended that the Committee assess the impacts on both properties and on any other similarly situated properties; and

**WHEREAS**, on March 16, 2017, the EQ&O Committee deferred action and requested additional information from staff on the costs expended to conduct the study and to allow the General Manager to provide comments on the relevant issues at the Committee’s next scheduled meeting; and

**WHEREAS**, on April 20, 2017, the General Manager informed the EQ&O Committee that action to address the issues raised by Chain Bridge and other questions relating to the WSRF would be addressed through a rulemaking amendment to the WSRF and Customer Classification regulations, and that the recommended changes in regulations would be presented to the DC Retail Water and Sewer Rates Committee; and

**WHEREAS**, on May 25, 2017, the General Manager recommended to the DC Retail Water and Sewer Rates Committee that the Board authorize: 1) amendment of the WSRF regulations to add a new subparagraph to allow multi-family customers whose premises meet certain requirements to request a WSRF adjustment to modify the combined domestic meter size based on peak domestic water demand, excluding fire demand; 2) that retroactive credits and refunds of past assessments paid not be provided; 3) amendment of the Customer Classification regulations to clarify the definitions for Residential, Multi-Family and Non-Residential customers to include cooperative housing associations and other clarifications; and 4) amendment of the definitions set forth in Chapter 41, Section 4199 of the Retail Water and Sewer Rates regulations to define the terms for Condominium, Cooperative Housing Association and Dwelling Unit used in the Customer Classification regulations; and

**WHEREAS**, the DC Retail Water and Sewer Rates Committee considered the recommendations made by the General Manager, expressed support for the not providing retroactive credits and refunds, and recommended that the Board consider for public comment the proposed rulemaking to amend the WSRF, and the above described Customer Classification and Definitions to address the WSRF impacts to multi-family communities comprised of single family dwellings served by a master meter; and

**WHEREAS**, after consideration and discussion of the recommendations of the DC Retail Water and Sewer Rates Committee, the District members of the Board support publication of the proposed rulemaking.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Board proposed an amendment to the District of Columbia Municipal Regulations to amend the WSRF, Customer Classification and Definitions as provided in Attachments 1 and 2.
2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required, to publish a Notice of Proposed Rulemaking in the District of Columbia of Register for the amendments to the WSRF, Customer Classification and Definitions regulations, and receive public comments in the manner provided by the District of Columbia Administrative Procedure Act.

This resolution shall be effective immediately.

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Secretary to the Board of Directors

## Attachment 1

### **Proposed amendments to Water System Replacement Fee (WSRF) regulations adding paragraph (c) to 21 DCMR § 112.10 are as follows:**

- (c) A Multi-Family WSRF adjustment will be provided in accordance with the following rules and procedures:
  - (1) A Multi-Family customer that is a cooperative housing association and whose premises is comprised exclusively of single family attached or detached dwelling structures and served by a master meter, may request a Multi-Family WSRF adjustment to modify the combined domestic meter based on the peak domestic water demand, excluding fire demand, for that premises.
  - (2) The eligible Multi-Family customer must submit the following information and fees to DC Water for review:
    - (A) Record(s) demonstrating that each unit in the cooperative housing association is a single-family attached or detached dwelling unit;
    - (B) A site plan, prepared by a District of Columbia licensed professional engineer, architect, or master plumber or other licensed professional, drawn to scale showing the water distribution and service lines, location of the meter, fire hydrant(s), structures, and ancillary systems, including, but not limited to irrigation systems, swimming pools and fountains; and
    - (C) The proposed modified combined domestic meter size calculated using the meter sizing computations for the peak domestic water demand for the premises, excluding fire demand, and prepared by a District of Columbia licensed professional engineer, architect, or master plumber or other licensed professional, in accordance with the District of Columbia Plumbing Code.
    - (D) Payment of the Approved Plan Revision Engineering Review Fee.
  - (3) Upon approval of a request for a Multi-Family WSRF adjustment, the Multi-Family customer will be charged the WSRF based on the approved modified combined domestic meter size as set forth in Subsection 112.10(a). No retroactive credits or refunds will be provided for WSRF billed prior to the approval of the Multi-Family WSRF adjustment.
  - (4) The size of the master meter used to deliver water to the premises will be calculated using the peak water demand including fire demand in accordance with the District of Columbia Plumbing Code.

## Attachment 2

**Proposed amendments to Customer Classifications and Definitions in 21 DCMR § 4104 and 4199 are as follows:**

**4104 CUSTOMER CLASSIFICATIONS FOR WATER AND SEWER RATES, FEES AND CHARGES**

4104.1 The customer classifications for water and sewer rates, fees and charges shall consist of a residential class, multi-family, and a non-residential class:

- (a) Residential – a customer whose premises is a single-family dwelling unit used for domestic purposes, whether as a row, detached or semi-detached structure, or as a single dwelling unit within an apartment building, or as a single dwelling unit within a condominium, or as a single dwelling unit within a cooperative housing association, where each unit is served by a separate service line and is individually metered and used for domestic purposes; or a multi-family structure or development of less than four (4) single-family, apartment, condominium, or cooperative housing association dwelling units where all the units are used for domestic purposes and served by a single service line that is master metered; excluding a premises operated as a nursing home, dormitory or transient housing business, including, but not limited to a bed and breakfast, hotel, motel, inn, boarding house or rooming house.
- (b) Multi-Family – a customer whose premises is a multi-family structure or development (such as an apartment, condominium, or cooperative housing association) used for domestic purposes, with four or more single-family, apartment, condominium, or cooperative housing association residential dwelling units served by the same service line that is master metered; excluding a premises operated as a nursing home, dormitory or transient housing business, including, but not limited to a bed and breakfast, hotel, motel, inn, boarding house or rooming house.
- (c) Non-residential – all customers not within either the residential or multi-family class including customers whose premises is comprised of one or more units that is not used for domestic purposes and all units are served by the same service line that is master metered.

**Section 4199 is amended by adding the following terms and definitions to read as follows:**

**Condominium** – means real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the

owners of the portions designated for separate ownership, provided the undivided interests in the common elements are vested in the unit owners.

**Cooperative Housing Association** – means an association, whether incorporated or unincorporated, organized for the purpose of owning and operating residential real property, the shareholders or members of which, by reason of their ownership of a stock or membership certificate, a proprietary lease or other evidence of membership, are entitled to occupy a dwelling unit pursuant to the terms of a proprietary lease or occupancy agreement.

**Dwelling Unit** – any habitable room or group of rooms with kitchen and bathroom facilities forming a single unit located within a building or structure, which is wholly or partially used or intended to be used for living, sleeping and the preparation and consumption of meals by human occupants, and is under the control of and for the use of the occupant.